

Ref No.: Series STFCL-FEB- 2018-19 PP G-05

February 25, 2019

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

Security Name	STFCL-FEB 2018-19 PP-G-05
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. 150 Crores plus green shoe option of Rs.150 Crores
Face Value of Debentures	Rs. 10,00,000 (INR Ten Lakh)
Initial Subscription Amount	10% of the face value of debentures
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) till the issuance date of eighth 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 eighth 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>e.) The Long-term Credit rating of the Issuer and Issue remains AA+ (stable) or above</p> <p>f.) The Short-Term credit rating of the issue remains A1+ or above</p> <p>g.) No breach in Covenant, as specified in the term sheet of the Debenture facility has taken place.</p>

**Shriram Transport Finance Company Limited**

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, 3<sup>rd</sup> Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2499 0356 | Fax: +91 44 2499 3272.

Website: www.stfc.in | Corporate Identity Number (CIN) – L65191TN1979PLC007874.

	<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 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: 28<sup>th</sup> February 2019</p> <p>Second Drawdown Date: 28<sup>th</sup> May 2019</p> <p>Third Drawdown Date: 27<sup>th</sup> August 2019</p> <p>Fourth Drawdown Date: 26<sup>th</sup> November 2019</p> <p>Fifth Drawdown Date: 25<sup>th</sup> February 2020</p> <p>Sixth Drawdown Date: 25<sup>th</sup> May 2020</p> <p>Seventh Drawdown Date: 24<sup>th</sup> August 2020</p> <p>Eighth Drawdown Date: 23<sup>rd</sup> November 2020</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 %.</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 8.90% 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 : 28<sup>th</sup> February 2019</p> <p>Second Reset Date: 28<sup>th</sup> May 2019</p> <p>Third Reset Date: 27<sup>th</sup> August 2019</p> <p>Fourth Reset Date : 26<sup>th</sup> November 2019</p> <p>Fifth Reset Date : 25<sup>th</sup> February 2020</p> <p>Sixth Reset Date : 25<sup>th</sup> May 2020</p> <p>Seventh Reset Date : 24<sup>th</sup> August 2020</p> <p>Eighth Reset Date : 23<sup>rd</sup> November 2020</p>

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Coupon Payment Schedule	<p>(a) On the Initial Subscription Amount, the Coupon shall be payable quarterly/on specific interest payment dates from the period starting from and including the Date of Allotment and up to the Date of Redemption.</p> <p>(b) On the Additional Subscription Amount, the Coupon shall be payable quarterly on specific interest payment dates from the period starting 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: 28<sup>th</sup> May 2019</p> <p>Second Interest Payment Date: 27<sup>th</sup> August 2019</p> <p>Third Interest Payment Date: 26<sup>th</sup> November 2019</p> <p>Fourth Interest Payment Date: 25<sup>th</sup> February 2020</p> <p>Fifth Interest Payment Date: 25<sup>th</sup> May 2020</p> <p>Sixth Interest Payment Date: 24<sup>th</sup> August 2020</p> <p>Seventh Interest Payment Date: 23<sup>rd</sup> November 2020</p> <p>Eighth Interest Payment Date: 22<sup>nd</sup> February 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"> <li>➤ No offer and issuance of CP</li> <li>➤ The issuer and investor bilaterally decide not to continue with the transaction.</li> </ul> <p>Once an Early Redemption Event has occurred the Issuer will redeem the partly paid bond.</p>
Tenor	725 days from the Deemed Date of Allotment
Redemption Date	22 <sup>nd</sup> February 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. 1,00,000 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

**Shriram Transport Finance Company Limited**

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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:  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 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 30<sup>th</sup> 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 30<sup>th</sup> 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"> <li>• Maximum Net Debt/Equity of 9 times</li> <li>• Minimum Capital Adequacy Ratio of 15%</li> <li>• Long-term Credit rating of the Issuer and Issue remains AA+ (stable) or above.</li> </ul>
Transaction Documents	<ul style="list-style-type: none"> <li>• Debenture Trustee Agreement,</li> <li>• Debenture Trust Deed,</li> <li>• Deed of Hypothecation</li> <li>• Disclosure Document / Shelf Disclosure Document;</li> <li>• Such other documents as agreed between the Issuer and the Debenture Trustee.</li> </ul>
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"> <li>• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;</li> <li>• Insolvency, reorganization, restructuring, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>• Bankruptcy, CDR proceedings admitted with respect to the Issuer;</li> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• 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.)</li> </ul>
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	February 27, 2019	
Bid Close Date	February 27, 2019	
Pay in Date	February 28, 2019	
Deemed Date of Allotment	February 28, 2019	
Settlement Cycle	T+1	
Allocation Option	Uniform Price	
Bid Book Type	CLOSE	
Settlement Through	ICCL & BSE	
Fund Settlement	<p>The participants should do the funds pay-in to the Indian Clearing Corporation Ltd.'s (ICCL) designated Bank account upto 10.30 a.m. on T+1 day.</p> <p>The Designated Bank accounts of ICCL are as follows.</p> <p>1) ICICI Bank A/c Name: INDIAN CLEARING CORPORATION LTD Account No : ICCLEB IFSC: ICIC0000106</p> <p>2) YES Bank A/c Name: INDIAN CLEARING CORPORATION LTD Account No : ICCLEB IFSC: YESB0CMSNOC</p> <p>3) HDFC Bank A/c Name: INDIAN CLEARING CORPORATION LTD Account No : ICCLEB IFSC: HDFC0000060</p>	
Contact person for further information	Mr. Jayesh Savliya	+91 22 40959565
	Ms. Harshita Phophalia	+91 22 40959549
	Mr. Amit Agrawal	+91 22 40959523
	Mr. Vedansh Chandak	+91 22 40959520
	Mr. R. Swaminathan	+ 91 22 40959535

*For Shriram Transport Finance Company Limited*

  
**Parag Sharma**  
Executive Director & CFO

**Shriram Transport Finance Company Limited**

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