

June 28, 2018

Term sheet

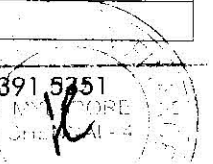
Security Name	NCD Series ____ Tranche ____	
Issuer	Shriram City Union Finance Ltd ("The Issuer"/"SCUFL"/"The Company")	
Type of Instrument	Secured Redeemable Non-Convertible Debentures (the "Debentures"/NCDs)	
Nature of Instrument	Secured	
Seniority	Senior	
Mode of Issue	Private placement	
Eligible Investors	As provided in the caption titled "Eligible Investors" in this Shelf Disclosure Document	
Listing	<p>Debentures are proposed to be listed on the WDM of the BSE</p> <p>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1 % p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.</p>	
Rating of the Instrument	<p>"CARE AA+" by CARE Ratings & Research Ltd.</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</i></p>	
Issue Size	Up to Rs. 500 crs	
Option to retain oversubscription	NA	
Objects of the Issue	The object of the issue is to augment medium to long-term resources of the Company and for on-ward lending purposes.	
Details of the utilization of the Proceeds	The proceeds from the issue shall be utilized for onward lending purposes & the Issuer also undertakes that the proceeds of this Issue shall be utilized for the deployment of funds on its own balance sheet.	
Issue Price	Rs.10,00,000/-	
Face Value	Rs.10,00,000/-	
Structures	Series I	Series II
Amount	Up to Rs.250 Crores	Up To Rs.250 Crores
Tenor	531 days from the Deemed Date of Allotment	622 days from the Deemed Date of Allotment
Redemption Date	18 th Dec 2019	18 th Mar 2020

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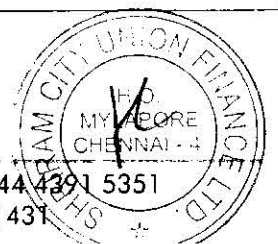
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Redemption Amount	Bullet At Par	Bullet At Par
Redemption Premium /Discount	Nil	Nil
Coupon Type	Floating	Floating
Coupon Rate	Benchmark Rate Plus spread of 1.25%(125 basis points), p.a. <ul style="list-style-type: none"> Spread for the tenor of the NCDs is settled at 1.25% 	Benchmark Rate Plus spread of 1.27%(127 basis points), p.a. <ul style="list-style-type: none"> Spread for the tenor of the NCDs is settled at 1.27%
Benchmark Rate	"1 year SBI MCLR" which is 1 yr MCLR rate of State Bank Of India observed on the page on 29 th June 2018,10.00hrs : https://www.sbi.co.in/portal/web	"1 year SBI MCLR" which is 1 yr MCLR rate of State Bank Of India observed on the page on 29 th June 2018,10.00hrs : https://www.sbi.co.in/portal/web/in
Current Benchmark Rate	1 year SBI MCLR: 8.25%	1 year SBI MCLR: 8.25%
Interest rate of the First coupon Payment	8.25 % (1year SBI MCLR) + 1.25% = 9.50%p.a.	8.25 % (1year SBI MCLR) + 1.27% = 9.52%p.a.
Spread	125 bps	127 bps
Step Up/Step Down	NA	NA
Coupon payment Dates	First Coupon Payment Date: 5 th July 2019 Second Coupon Payment Date (on maturity): 18 th Dec 2019	First Coupon Payment Date: 5 th July 2019 Second Coupon Payment Date (on Maturity): 18 th Mar 2020
Coupon Reset Frequency	On the expiry of the 12 months from the Deemed Date of Allotment.	On the expiry of the 12 months from the Deemed Date of Allotment.
Coupon Reset Date	5 th July 2019	5 th July 2019
Coupon Reset Process	The Benchmark Rate prevailing on the Coupon Reset date shall be considered as the Benchmark Reference rate for the balance tenor of the NCDs.	The Benchmark Rate prevailing on the Coupon Reset date shall be considered as the Benchmark Reference rate for the balance tenor of the NCDs.

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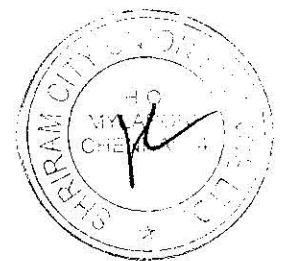
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Coupon Rate applicable for the Subsequent Interest payment	Benchmark Reference rate (as mentioned in the Coupon Rest Process) + 125 bps	Benchmark Reference rate (as mentioned in the Coupon Rest Process) + 127 bps
Day Count Basis	Actual/ Actual	
Security (where applicable)	<p>The Debentures shall be secured by an exclusive charge over the specific receivables of the Company.</p> <p>The Company shall at all times provides Security Cover of 1.10 (One Decimal One Zero) times of the outstanding Debentures.</p> <p>Subject to compliance with the Companies Act, applicable RBI Guidelines and the SEBI Debt Listing Regulations, the Company shall execute the Debenture Trust Deed in favor of the Debenture Trustee within the prescribed timelines mentioned therein.</p>	
Interest on Application Money	Nil	



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Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:

1. 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.
2. If the Company fails to execute the Debenture Trust Deed and/or any other charge related documents on or before the expiry of three months from the respective Issue Closure Date, then the Company shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over above the applicable Interest Rate on all amounts outstanding NCDs from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.
3. In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the Deemed Date of Allotment, the Company will pay additional interest of 1% (One percent) per annum over the Interest Rate, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the NCDs is completed.

Default Interest Rate/Additional Interest Rate / Penal Charges	
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put Date	NA
Put Price	NA
Call Date	NA
Call Price	NA
Put Notification Time	NA
Call Notification Time	NA
Minimum Application and in multiples of Debt securities	The minimum application size for the Issue shall be 100 Debentures and in multiples of 1 Debenture thereafter.

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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 being a day excluding Saturdays, Sundays or a public holiday in Mumbai.
Business Day Convention	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	15 days prior to each Coupon Payment / Redemption date.
Transaction Documents	<ol style="list-style-type: none"> 1. Debenture Trustee Agreement, which confirms the appointment of "Catalyst" as the Debenture Trustee ("Debenture Trustee Agreement"); 2. Debenture Trust Deed, 3. Disclosure Document; 4. PAS-4 <p>Such other documents as agreed between the Issuer and the Debenture Trustee.</p>



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General Covenants:	<p>The company shall maintain the covenants during the currency of the NCDs & upon breach of following covenants, the NCD holders will have right to recall the O/s NCD's</p> <ul style="list-style-type: none"> ○ Capital adequacy should not fall below 18% or as per the statutory requirements whichever is higher. ○ If rating of the company fall below A+ by any rating agency or its rating is suspended ○ Company will continue to have "Shriram" in its name during the tenure of NCD
Conditions Precedent to Disbursement	<ol style="list-style-type: none"> 1. Execution of Shelf Disclosure Document 2. Credit Rating Letter & Rationale 3. Trustee Consent Letter 4. Resolution of the shareholders of the Company under Section 180(1)(c) and 180(1)(a) of the Act 5. Resolution of the shareholders of the Company under Section 42 of the Act Resolution of the Company's Board of Directors authorizing the Banking & securities management committee 6. Resolution of the Company's Banking & Securities Management committee authorizing the issuance and allotment of debentures 7. Execution of the Debenture Trustee Agreement



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Condition Subsequent to Disbursement	<p>The Company shall fulfil its obligations subsequent to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none">1. the Company shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series;2. The Company will ensure listing of Debentures on the BSE;3. the Company shall, inter alia, file a copy of Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures with the ROC and SEBI with the prescribed fee within 30 (thirty) days from the date of the Private Placement Offer Letter and file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 30 (thirty) days of the allotment of Debentures along with a list of the Debenture Holders and with the prescribed fee or such other time as prescribed by law whichever is earlier; and4. the Company shall file a copy of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the relevant series of Debentures along with a copy of the Private Placement Offer Letter with ROC and SEBI within 30 (thirty) days from the date of the Private Placement Offer Letter or such other time as prescribed by law whichever is earlier;5. Execution of Debenture Trust Deed and its registration with the relevant sub-registrar of assurances if required within the timeline prescribed under applicable law6. Filing of CHG 9 with the jurisdictional registrar of companies and in respect of the Debenture Trust Deed within 30 days of execution thereof.7. Execution of Such other documents as may be required.
Events of Default & Consequences of Event of Default	As set out in the Shelf Disclosure Document and as may be further specified and set out in the Transaction Documents.
Debenture Trustee to the Issue	Catalyst Trusteeship Limited (erstwhile GDA Trusteeship Services Limited)

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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.	
Issue Schedule	Series I	Series II
Issue Open date	July 4, 2018	July 4, 2018
Issue Close Date	July 5, 2018	July 5, 2018
Pay in Date	July 5, 2018	July 5, 2018
Deemed Date Of Allotment	July 5, 2018	July 5, 2018

For Shriram City Union Finance Limited,



(Authorized Signatory)

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