SHRIRAM CITY UNION FINANCE LIMITED

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956, as amended (the "**Companies Act, 1956**") and was granted a certificate of incorporation by the Registrar of Companies, Chennai, Tamil Nadu ("**RoC**"). With effect from October 29, 1988, the status of our Company was changed to a public limited company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC. For further details, please see the section titled "*History and Certain Corporate Matters*" on page 102 of the Shelf Prospectus.

Corporate Identification Number: L65191TN1986PLC012840
Registered Office: 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India.
Corporate Office: 144, Santhome High Road, Mylapore, Chennai - 600 004, Tamil Nadu, India.
Telephone: + 91 44 4392 5300; **Facsimile**: +91 44 4392 5430
Compliance Officer: Mr. C. R. Dash;
Telephone: + 91 44 4392 5300; **Facsimile**: +91 44 4392 5430 **E-mail**: scufncd18@shriramcity.com;
Website: www.shriramcity.in

PUBLIC ISSUE BY SHRIRAM CITY UNION FINANCE LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT OF ₹ 1,000 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 6,500 MILLION AGGREGATING UP TO 7,500,000 NCDs AMOUNTING TO ₹ 7,500 MILLION ("TRANCHE 1 ISSUE LIMIT") (THE "TRANCHE 1 ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 30,000 MILLION ("SHELF LIMIT") AND IS BEING OFFERED BY WAY OF THIS TRANCHE 1 PROSPECTUS DATED MARCH 27, 2019 CONTAINING, INTER ALIA, THE TERMS AND CONDITIONS OF THIS TRANCHE 1 ISSUE ("TRANCHE 1 PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED MARCH 27, 2019 ("SHELF PROSPECTUS") FILED WITH THE ROC, BSE AND SEBI. THE SHELF PROSPECTUS AND THIS TRANCHE 1 PROSPECTUS CONSTITUTE THE PROSPECTUS ("PROSPECTUS"). THIS TRANCHE 1 ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATION, 2008 AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER.

OUR PROMOTER

Our Promoter is Shriram Capital Limited. For details of our Promoter, please see "*Our Promoter*" on page 115 of the Shelf Prospectus.

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 11 of the Shelf Prospectus and "*Material Developments*" on page 22 of this Tranche 1 Prospectus. This document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that the Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issuer and the Issue, that the information contained in the Prospectus 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 the Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under the Issue have been rated 'CARE AA+ Stable' (Double A Plus; Outlook: Stable) by CARE and 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019) and December 6, 2018 (and revalidated on February 19, 2019 and further revalidated on March 19, 2019) respectively. The rating of the NCDs by CARE and CRISIL are considered to have a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL 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 the NCDs and investors should take their own decisions. For the rationale of these ratings, please refer to Annexure A.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated February 19, 2019 was filed with BSE Limited ("**BSE**"), the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations on February 20, 2019 and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange.

LISTING

The NCDs offered through this Tranche 1 Prospectus are proposed to be listed on the BSE. Our Company has obtained 'in-principle' approval for the Issue from BSE vide its letter dated February 28, 2019.

COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see "*Terms of the Issue*" beginning on page 38. For details relating to eligible investors see, "*Issue Related Information*" beginning on page 30.

LEAD MANAGERS TO THE ISSUE		REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE
A. K. Capital Services Limited 30-38, Free Press House, 3rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai 400 021 Telephone: +91 22 6756500/6634 9300 Facsimile: +91 22 6610 0594 Email: scufncd2018@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co. in Website: www.akgroup.co.in Contact person: Ms. Shilpa Pandey/ Mr. Malay Shah SEBI Registration No.: INM000010411	**Edelweiss Financial Services Limited** Edelweiss House Off. C.S.T Road, Kalina Mumbai 400 098, Maharashtra, India Telephone: +91 22 4086 3535 Facsimile: +91 22 4086 3610 Email: scuf.ncd@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact person: Mr. Mandeep Singh/ Mr. Lokesh Singhi SEBI Registration No.: INM0000010650	**Integrated Registry Management Services Private Limited** 2nd Floor, "Kences Towers", No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Telephone: +91 44 2814 0801 to 803 Facsimile: +91 44 28142479 Email: scuf@integratedindia.in Investor Grievance E-mail: csdstd@integratedindia.in Website: www.integratedindia.in Contact person: Mr. K Balasubramanian SEBI Registration No.: INR000000544	**Catalyst Trusteeship Limited**** GDA House, Plot No. 85, Bhusari Colony (Right), Kothrud, Pune – 411038 Telephone: +91 2025280081 Facsimile: + 91 2025820275 Email: dt@ctltrustee.com Investor Grievance Email: grievance@ctltrustee.com Website: www.catalysttrustee.com Contact Person: Compliance Officer SEBI Registration No.: IND000000034

ISSUE PROGRAMME*

ISSUE OPENS ON: April 5, 2019	**ISSUE CLOSES ON:** May 3, 2019

* *The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Tranche 1 Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Tranche 1 Issue Closing Date, through an advertisement in at least one national daily newspaper with wide circulation. On the Tranche 1 Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to the chapter titled "Issue Related Information" on page 30.*

***Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated November 29, 2018 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the SEBI Debt Regulations and for its name to be included in this Tranche 1 Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*

A copy of this Tranche 1 Prospectus along with the Shelf Prospectus has been filed with the Registrar of Companies, Chennai, Tamil Nadu, in terms the Companies Act, 2013, along with the requisite endorsed/certified copies of all requisite documents. For more information, see the section titled "Material Contracts and Documents for Inspection" on page 72.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Tranche 1 Prospectus to “our Company” or “we” or “us” or “our” or “SCUF” are to Shriram City Union Finance Limited, a public limited company incorporated under the Companies Act, 1956.

Unless the context otherwise indicates or implies or defined specifically in this Tranche 1 Prospectus, the following terms have the following meanings in this Tranche 1 Prospectus, and references to any statute or rules or regulations or guidelines or policies includes any amendments or re-enactments thereto, from time to time.

Company Related Terms

Term	Description
“Issuer”, “SCUF”, “our Company” or “the Company”	Shriram City Union Finance Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office situated at 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India, and corporate office situated at 144, Santhome High Road, Mylapore, Chennai 600 004, Tamil Nadu, India.
Articles/ Articles of Association/AoA	Articles of association of our Company, as amended.
Board/ Board of Directors	Board of directors of our Company.
Director(s)	Director(s) on our Board.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Memorandum/Memorandum of Association/MoA	Memorandum of association of our Company, as amended.
Promoter	Shriram Capital Limited.
“Registered Office” or “Corporate Office”	The registered office situated at 123, Angappa Naicken Street, Chennai- 600 001, Tamil Nadu, India, and corporate office situated at 144, Santhome High Road, Mylapore, Chennai 600 004, Tamil Nadu, India.
RoC	Registrar of Companies, Chennai, Tamil Nadu.
“SCL” or “Shriram Capital”	Shriram Capital Limited.
“SHFL” or “Shriram Housing” or “Subsidiary”	The subsidiary of our Company, namely, Shriram Housing Finance Limited.
Statutory Auditors/Auditors	The statutory auditors of our Company, namely G.D. Apte & Co.

Issue Related Terms

Term	Description
A.K. Capital	A.K. Capital Services Limited
Allotment/ Allot/ Allotted	The allotment of the NCDs to the Allottees, pursuant to the Issue.
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment.
Allottee	A successful Applicant to whom the NCDs are allotted pursuant to the Issue.
Applicant/Investor/ASBA Applicant	A person who applies for the issuance and Allotment of NCDs through ASBA process pursuant to the terms of the Shelf Prospectus and this Tranche 1 Prospectus and the Application Form for this Tranche 1 Issue.
Application/ ASBA application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of t the Shelf Prospectus and this Tranche 1 Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form.
Application Form	The form used by an Applicant for applying for the NCDs under the Issue through the ASBA process, in terms of the Shelf Prospectus and this Tranche 1 Prospectus.
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of an ASBA Applicant.
ASBA Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Banker(s) to the Issue	Collectively, the Public Issue Account Bank and the Refund Bank.
Base Issue Size	₹ 1,000 million
Basis of Allotment	The basis on which NCDs will be allotted to applicants under the Tranche 1 Issue.
Bidding Centres / Collection Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Consortium,

Term	Description
	Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchanges, where Applicants can submit the Application Forms to a Trading Member. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges
BSE	BSE Limited.
CARE	CARE Limited (formerly known as Credit Analysis and Research Limited).
Category I - Institutional Investors	• Public financial institutions scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs • Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs • Alternative Investment Funds, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 • Resident Venture Capital Funds registered with SEBI • Insurance companies registered with the IRDAI • State industrial development corporations • Insurance funds set up and managed by the army, navy, or air force of the Union of India • Insurance funds set up and managed by the Department of Posts, the Union of India • Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements; • National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India • Mutual funds registered with SEBI
Category II- Non-Institutional Investors	• Companies within the meaning of Section 2(20) of the Companies Act, 2013 • Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs • Co-operative banks and regional rural banks • Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs • Partnership firms in the name of the partners • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) • Association of Persons • Any other incorporated and/ or unincorporated body of persons
Category III - High Net-Worth Individuals	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs aggregating up to a value of more than ₹ 1,000,000, across all series of NCDs in the Tranche 1 Issue.
Category IV- Retail Individual Investors	Resident Indian individuals and Hindu Undivided Families applying through the Karta, for NCDs for an amount aggregating up to and including ₹ 1,000,000, across all series of NCDs in the Tranche 1 Issue.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12(1A) of the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the Debt ASBA Circular
Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members.
Consortium Agreement	Consortium Agreement dated March 27, 2019 entered into between our Company and the Members of the Consortium.
Consortium Members	A.K Stockmart Private Limited and Edelweiss Securities Limited.
Credit Rating Agencies	CARE and CRISIL
CRISIL	CRISIL Limited
"Debenture Holders" or "NCD Holder(s)"	Any person holding the NCDs and whose name appears on the beneficial owners list provided by the Depositories (in case of NCDs in dematerialized form) or

Term	Description
	whose name appears in the Register of Debenture Holders maintained by the Issuer (in case of NCDs in physical form pursuant to rematerialization).
"Debentures" or "NCDs"	Secured, redeemable, non-convertible debentures of our Company of face value of ₹ 1,000 each proposed to be issued by our Company in terms of the Shelf Prospectus and this Tranche 1 Prospectus.
Debenture Trustee Agreement	Agreement dated February 16, 2019 entered into between our Company and the Debenture Trustee.
Debenture Trust Deed	Trust deed to be entered into between the Debenture Trustee and the Company, in accordance with applicable laws.
Debenture Trustee/ Trustee	Trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited.
Debt Listing Agreement	The listing agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt securities of our Company.
Deemed Date of Allotment	The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for the Tranche 1 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to BSE. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 1 Prospectus for the Tranche 1 Issue) shall be available to the Debenture holders from the Deemed Date of Allotment
Demographic Details	The details of an Applicant, such as his address, bank account details, Permanent Account Number, Category for printing on refund orders and occupation.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche 1 Prospectus and the Public Issue Account Agreement.
Designated Stock Exchange/ Stock Exchange	BSE.
Draft Shelf Prospectus	The draft shelf prospectus dated February 19, 2019 filed with the Designated Stock Exchange for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
Edelweiss	Edelweiss Financial Services Limited.
Equity Shares	Equity shares of our Company of face value of ₹10 each.
Equity Listing Agreement	The listing agreements entered into between our Company and the relevant stock exchanges in connection with the listing of the Equity Shares of our Company.
Issue	Public issue of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating to ₹ 30,000 million in one or more tranches.
Lead Managers/LMs	A. K. Capital Services Limited and Edelweiss Financial Services Limited.
Limited Liability Partnerships	Limited liability partnerships registered under the Limited Liability Partnership Act, 2008.
Limited Review Financials / Limited Review Financial Results	The unaudited standalone financial results of the Company for the nine months ended December 31, 2018 and the six months ended September 30, 2018 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and presented in accordance with the requirements of the SEBI Listing Regulations.
Market Lot	1 (One) NCD
Maturity Amount/ Redemption Amount	In respect of NCDs Allotted to a Debenture Holder, the face value of the NCDs along with interest that may have accrued as on the Redemption Date.
Maturity Date/ Redemption Date	The respective dates on which each Series of NCDs shall be redeemed and Redemption Amount shall be paid by our Company, at the end of the respective tenure of such Series of NCDs.
NRIs	Persons resident outside India, who are citizens of India or persons of Indian origin and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2008.
NSE	National Stock Exchange of India Limited.
Public Issue Account	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Issue Account Bank to receive money from the ASBA Accounts on the Designated Date.

Term	Description
Public Issue Account Agreement	Agreement to be entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank, and the Lead Managers for collection of the Application Amounts from ASBA Accounts and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	IndusInd Bank Limited.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under this Tranche 1 Prospectus for the Tranche 1 Issue. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Reformatted Audited Financial Statements	The Reformatted Consolidated Financial Information and Reformatted Standalone Financial Information.
Reformatted Consolidated Financial Information	The statement of reformatted consolidated summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted consolidated summary statement of profit and loss and the reformatted consolidated summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co., Chartered Accountants. Our audited consolidated financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Consolidated Financial Information.
Reformatted Standalone Financial Information	The statement of reformatted standalone summary statement of assets and liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the reformatted standalone summary statement of profit and loss and the reformatted standalone summary statement of cash flows for each of the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the summary of significant accounting policies as examined by our Company's Statutory Auditors, M/s G.D Apte & Co, Chartered Accountants. Our audited standalone financial statements as at and for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 form the basis for such Reformatted Standalone Financial Information.
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount shall be made and as specified in this Tranche 1 Prospectus.
Refund Bank	IndusInd Bank Limited.
Register of NCD Holders	The register of NCD holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD holders maintained by the Registrar.
"Registrar to the Issue" or "Registrar"	Integrated Registry Management Services Private Limited
Registrar Agreement	Agreement dated February 18, 2019 entered into between our Company and the Registrar to the Issue.
Security	The principal amount of the NCDs to be issued in terms of this Tranche 1 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, and the interest thereon, more particularly as detailed in the section titled "*Issue Structure*" on page 35.
"Self Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Series	Collectively the series of NCDs being offered to the Applicants.
Shelf Prospectus	The shelf prospectus dated March 27, 2019 filed with the RoC and the Designated

Term	Description
	Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.
Stock Exchange	BSE Limited.
Syndicate ASBA	An Application submitted by an ASBA Applicant through the Members of the Syndicate and Trading Members instead of the Designated Branches of the SCSBs.
Syndicate ASBA Application Locations	Bidding centres where the Members of the Syndicate and Trading Members shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate or Trading Members, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the Members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Trading Members	Intermediaries registered as brokers or sub-brokers under the Securities and Exchange Board of India (Brokers and Sub Brokers) Regulations, 1992 and with the BSE and NSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by the BSE and NSE from time to time, and duly registered with BSE and NSE for collection and electronic upload of Application Forms on the electronic application platform provided by the BSE and NSE.
Tranche 1 Issue	Issue of the NCDs pursuant to this Tranche 1 Prospectus.
Tranche 1 Issue Closing Date	May 3, 2019.
Tranche 1 Issue Opening Date	April 5, 2019.
Tranche 1 Issue Period	The period between the Tranche 1 Issue Opening Date and the Tranche 1 Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Tranche Prospectus(es)	The relevant Tranche Prospectus containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts, documents for inspection and other terms and conditions for each Tranche Issue.
Tranche 1 Prospectus	This Tranche Prospectus dated March 27, 2019 filed with the RoC and the Designated Stock Exchange in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations
"Transaction Registration Slip" or "TRS"	The slip or document issued by any of the Members of the Syndicate, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs.
Tripartite Agreements	Agreements entered into between the Issuer, Registrar and each of the Depositories under the terms of which the Depositories agree to act as depositories for the securities issued by the Issuer.
Working Days	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche I Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
BFS	Board for Financial Supervision.
BPS	Basis points
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CIC	Core Investment Company
Companies Act, 1956	Companies Act, 1956.
Companies Act, 2013	Companies Act, 2013, as amended.
SCD Rules	Companies (Share Capital and Debentures) Rules, 2014

Term/Abbreviation	Description/ Full Form
CRAR	Capital to Risk Assets Ratio.
CRISIL	CRISIL Limited
CSR	Corporate Social Responsibility.
CrPC	The Code of Criminal Procedure, 1973.
DIN	Director Identification Number.
Depository(ies)	CDSL and NSDL.
Depositories Act	Depositories Act, 1996.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
DRT	Debt Recovery Tribunal.
DTC	Direct Tax Code.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999.
FIMMDA	Fixed Income Money Market and Derivative Association of India.
FIR	First Information Report.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HUF	Hindu Undivided Family.
HFC	Housing finance company.
IAS	Indian Administrative Service.
IA&AS	Indian Audits and Accounts Service.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.
Indian GAAP	Accounting Standards as per the Companies (Accounting standards) Rules, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act.
IPC	The Indian Penal Code, 1860
ISIN	International Securities Identification Number.
IT	Information technology.
JV	Joint Venture.
LIBOR	London Inter-Bank Offer Rate.
LCV	Light commercial vehicles
LTV	Loan to value
MoF	Ministry of Finance, GoI.
MCA	Ministry of Corporate Affairs, GoI.
MHCV	Medium and heavy commercial vehicle
NBFC	Non-Banking Finance Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NGO	Non-governmental organisations
NSDL	National Securities Depository Limited.
NR or “Non-resident”	A person resident outside India, as defined under FEMA.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PFI	Public Financial Institution, as defined under Section 4A of the Companies Act, 1956.
PPP	Public Private Partnership.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
“₹” or “Rupees” or “Indian Rupees” or “Rs.”	The lawful currency of India.
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds)

Term/Abbreviation	Description/ Full Form
	Regulations, 2012, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Business / Industry Related Terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee.
ALM	Asset Liability Management.
AUM	Assets under Management
CRAR	Capital to Risk Adjusted Ratio.
ECL	Expected Credit Loss as defined under Indian accounting standards
ECL (%)	Percentage of provision for expected credit loss to Assets under management
Gold Loans	Personal and business loans secured by gold jewellery and ornaments.
Gross NPA	Gross NPA represents the non-performing portfolio loans outstanding (gross) as of the last day of the relevant period.
Gross NPA (%)	Percentage of the non-performing portfolio loans outstanding (gross) to Gross Credit exposure (Total assets under management)
IBPC	Inter Bank Participation Certificate.
KYC	Know Your Customer.
NBFC	Non-Banking Financial Company.
NBFC-D	Non-Banking Financial Company- Deposit Taking.
Net NPA	Net NPA represents the non-performing portfolio loans outstanding (net) as of the last day of the relevant period i.e. non-performing portfolio loans outstanding (gross) as reduced by the provision for non-performing assets.
Net NPA (%)	Percentage of the non-performing portfolio loans outstanding (net after adjusting provision against NPA) to Net credit exposure (Total Assets under management less provision against NPA)
NPA	Non-Performing Asset.
NSSO	National Sample Survey Organisation.
PPP	Purchasing Power Parity.
RRB	Regional Rural Bank.
SCB	Scheduled Commercial Banks.

Notwithstanding anything contained herein, capitalised terms that have been defined in the sections titled "*Capital Structure*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Statement of Tax Benefits*", "*Our Management*", "*Financial Indebtedness*", "*Outstanding Litigation and Material Developments*" and "*Issue Procedure*" on pages 42, 94, 101, 58, 104, 134, 114 and 158 of the Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATON

Certain Conventions

All references in this Tranche 1 Prospectus to "India" are to the Republic of India and its territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Tranche 1 Prospectus is derived from our Reformatted Audited Financial Statements. In this Tranche 1 Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Our Company's financial statements for the year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements, and the Limited Review Financial Information included in the Shelf Prospectus has been prepared in accordance with Ind AS, guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements. In addition to the Limited Review Financial Information, all additional financial information included in the Shelf Prospectus as at and for the period ended December 31, 2018 and September 30, 2018 has been prepared in accordance with Ind AS.

The Reformatted Standalone Financial Information and the Reformatted Consolidated Financial Information as issued by our Statutory Auditors, are included in the Shelf Prospectus in "*Financial Information*" on page 115.

Currency and Unit of Presentation

In this Tranche 1 Prospectus, references to "₹", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India and references to "US$", "USD", and "U.S. dollars" are to the legal currency of the United States of America. For the purposes of this Tranche 1 Prospectus data will be given in ₹ million. In the Tranche 1 Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

Industry and Market Data

Any industry and market data used in this Tranche 1 Prospectus consists of estimates based on data reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us or its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe the industry and market data used in this Tranche 1 Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data is presented in this Tranche 1 Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Exchange Rates

The exchange rates (₹) of the USD as at March 31 for the last 5 years and as at the nine months ended December 31, 2018 are provided below:

Currency	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
USD	69.79	72.55	65.04	64.84	66.33	60.10

Source: www.rbi.org.in
In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

Industry Source Disclaimer

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard, Shriram City Union Finance Limited will be responsible for ensuring compliances and consequences of non-complainces for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to, information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

FORWARD LOOKING STATEMENTS

Certain statements contained in this Tranche 1 Prospectus that are not statement of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche 1 Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- volatility in interest rates for both our lending and treasury operations;
- any disruption in funding sources;
- our inability to manage the level of NPAs in our loan assets;
- high levels of customer defaults;
- extant regulatory and legal requirements, as well as future regulatory changes;
- failure to comply with RBI or NHB observations;
- inability to accurately appraise or recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans;
- any downturn in the economy or change in consumer preference in South India, where a large number of our Company's branches are located;
- any downgrade in our credit ratings;
- any restrictions on our ability to obtain bank financing for specific activities; and

  other factors discussed in the Shelf Prospectus, including in the section titled "*Risk Factors*" on page 11 of the Shelf Prospectus.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "*Our Business*" on page 76 of the Shelf Prospectus. The forward-looking statements contained in this Tranche 1 Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to, management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

SECTION II - INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as Shriram Hire-Purchase Finance Private Limited on March 27, 1986 as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC. With effect from October 29, 1988, our Company was converted to a public company, pursuant to which the name of our Company was changed to Shriram Hire-Purchase Finance Limited. The name of our Company was subsequently changed to Shriram City Union Finance Limited and a fresh certificate of incorporation dated April 10, 1990 was issued by the RoC.

Our Company holds a certificate of registration dated July 27, 2015 (issued in lieu of the original registration dated September 4, 2000) bearing registration no. 07-00458 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act.

Registered Office

123, Angappa Naicken Street
Chennai 600 001
Tamil Nadu, India

Corporate Office

144, Santhome High Road
Mylapore, Chennai 600 004
Tamil Nadu, India

Telephone: + 91 44 4392 5300
Facsimile: +91 44 4392 5430
Website: www.shriramcity.in

Registration

Details	Registration/Identification number
CIN	L65191TN1986PLC012840
NBFC registration certificate number, under section 45 IA of the RBI Act	07-00458

Contents of the Memorandum of Association of the Company as regards its objects

For information on the Company's main objects, please see the section titled "*History and Main Objects*" on page 102 of the Shelf Prospectus. Please refer to Clause III of the Memorandum of Association of the Company for the complete text of the main objects and other objects of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section titled "*Material Contracts and Documents for Inspection*" on page 72.

Liability of the members of the Company

Limited.

Compliance Officer

C R Dash
Shriram City Union Finance Limited
144, Santhome High Road, Mylapore
Chennai 600 004, Tamil Nadu, India
Tel. No.: + 91 44 4392 5300
Fax: +91 44 4392 5430
Email: scufncd18@shriramcity.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, credit of Allotted NCDs in beneficiary accounts, and transfers as the case may be.

All grievances relating to this Tranche 1 Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Syndicate where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a)the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to the BSE.

Chief Financial Officer

Ramasubramanian Chandrasekar
144, Santhome High Road, Mylapore
Chennai 600 004, Tamil Nadu, India
Tel. No.: + 91 44 4392 5300
Fax: +91 44 4392 5430
Email: scufncd18@shriramcity.com

Lead Managers to the Issue

A. K. Capital Services Limited
30-38, Free Press House
3rd Floor, Free Press Journal Marg
215, Nariman Point
Mumbai 400 021
Tel: (91 22) 6754 6500
Fax: (91 22) 6610 0594
Email: scufncd2018@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Shilpa Pandey/ Malay Shah
Compliance Officer: Tejas Davda
SEBI Registration No.: INM000010411

Edelweiss Financial Services Limited
Edelweiss House
Off. C.S.T. Road, Kalina
Mumbai 400 098
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
E-mail: scuf.ncd@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance E-mail: customerservice.mb@edelweissfin.com
Contact Person: Mandeep Singh/ Lokesh Singhi
Compliance Officer: B. Renganathan
SEBI Registration No.: INM0000010650

Consortium Members

A.K. Stockmart Private Limited
30-38, Free Press House

3rd Floor, Free Press Journal Marg
215, Nariman Point
Mumbai 400 021.
Tel: 022-6754 6500
Fax: 022-6754-4666
Email: ankit@akgroup.co.in/ranjit.dutta@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ankita Gupta/Ranjit Dutta
SEBI Registration No.: INB231269532/INB011269538

Edelweiss Securities Limited
2nd Floor, M.B Towers,
Plot No. 5, Road No. 2,
Banjara Hills, Hyderabad 500 034.
Tel: 022-40635411/ 022-40635569
Fax: NA
Email: amit.dalvi@edelweissfin.com/prakash.boricha@edelweissfin.com
Website: www.edelweissfin.com/www.edelweiss.in
Contact Person: Amit Dalvi/Prakash Boricha
SEBI Registration No.: INZ000166136

Debenture Trustee

Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited)
'GDA House', Plot No. 85
Bhusary Colony (Right)
Kothrud, Pune 411 038
Tel: (91 22) 4922 0543
Fax: (91 20) 4922 0505
Email: complianceCTL-Mumbai@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Compliance Officer
SEBI Registration. Number: IND000000034

Registrar to the Issue

Integrated Registry Management Services Private Limited
2nd Floor, "Kences Towers" No. 1 Ramakrishna Street
North Usman Road, T Nagar
Chennai – 600 017
Tel.: +91 28140801 to 28140803
Fax: +91 28142479
Email: scuf@integratedindia.in
Investor Grievance Email: csdstd@integratedindia.in
Website: www.integratedindia.in.com
Contact Person: K Balasubramanian
SEBI Registration. Number: INR000000544

Statutory Auditors

G. D. Apte & Co., Chartered Accountants
GDA House, Plot No. 85,
Bhusari Colony (Right), Paud Road,
Pune – 411 038
Tel: 020- 25280081
Fax: 020-25280275
Email: umesh.abhyankar@gdaca.com, audit@gdaca.com
ICAI Registration No: 100515W

Contact Person: Umesh Abhyankar
Membership No: 113053

Legal counsel to Company and Lead Managers as to Indian law

L&L Partners*

Tower 2, Unit A2,
Indiabulls Finance Centre,
20th Floor, Elphinstone Road,
Lower Parel, Mumbai 400 013
India
* *Formerly known as Luthra & Luthra Law Offices*

1st & 9th Floors
Ashoka Estate, Barakhamba Road
New Delhi 110 001
India

Bankers to the Company

DCB Bank Limited
No.6A, Rajaji Road, Nungambakkam,
Chennai 600 034
Tel.: 044-40500355
E-mail: muralik@dcbbank.com
Contact Person: K. Murali

The Hongkong and Shanghai Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited, India
"Rajalakshmi", No.5 & 7, Catherdral Road, Chennai 600 086
Tel.: +91 9860564802
E-mail: nevillemusa@hsbc.co.in
Contact Person: Nivelle Musa

Axis Bank Limited
No.3, Club House Road, Chennai 600 002
Tel.: +91 9840076742
E-mail: vishal.mirpuri@axisbank.com
Contact Person: Vishal Mirpuri

IDBI Bank Limited
37, PM Towers, Greens Road,
Chennai, Tamil Nadu 600 006
Tel.: 044-28295392
E-mail: ibkl0000005@idbi.co.in

Kotak Mahindra Bank Limited
Prestige Polygon, 121h Floor,
471 Anna Salai, Nandanam,
Chennai-600 035
Tel.: 044-6134 4507
E-mail ID: bharanidharan.v@kotak.com
Contact person: V Bharanidharan

Abu Dhabi Commercial Bank PJSC
Ground Floor,
West Wing, Corniche, Al Latheef, No.25,
Cunnigham Road, Bangalore 560 001
Tel.: 080 61177711
E-mail: tom.michael@in.adeb.com
Contact person: Tom Michael

United Bank of India
25, Sir P.M Road , 2nd Floor,
Fort, Mumbai 400 001
Tel.: 022-2202 0431 /32
E-mail: bmzcm@unitedbank.co.in
Contact person: Mr N Srinivasa Rao

Union Bank of India
Industrial Finance Branch,
Union Bank Bhavan, 1st Floor,
139, Noradway, Chennai.
Tel.: 044-23460749 / 23460750
E-mail: ifbchennai@unionbankofindia.com
Contact person: Renjith Swaminathan, AGM

Indian Bank
Corporate Office, 254-260,
Avai Shanmugham Salai,
Royapettah, Chennai 600 014.
Tel.: 044-28134000-19
E-mail: harbour@indianbank.co.in

IndusInd Bank Limited
New No.34, Old No. (115-116),
GN Chetty Road, T-Nagar,
Chennai 600 017.
Tel.: 044-28346378
E-mail: vaidyanathan.jagannathan@indusind.com
Contact person: J. Vaidyanathan

Canara Bank
Prime Corporate Branch,
Ground Floor, Spencer Tower-I, Anna Salai,
Chennai-600002.
Tel.: 044-28497016
E-mail: CB2596@canarabank.com
Contact person: K. Niranjan Reddy

Public Issue Account Bank and Refund Bank

IndusInd Bank Limited
IndusInd Bank, PNA House, 4th Floor,
Plot Mo. 57 & 57/1, Road No. 17, Near SRL,
MIDC Andheri East,
Mumbai-400093.
Tel: (91) 022 610690248/34
Fax: (91) 022 66238021
Email: sunil.fadtari@indusindbank.com
Contact person: Sunil Fadtari

Credit Rating Agencies

CRISIL Limited
CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai- 400 076.
Tel: 91-22-3342 3000
Fax: 91-22-3342 3050
Email: crisilratingdesk@crisil.com
Contact Person: Krishanan Sitaraman
SEBI Registration Number: IN/CRA/001/1999

CARE Ratings Limited (Formerly known as Credit Analysis & Research Ltd.)
Unit No 0-509/C, Spencer Plaza,
5th Floor, No.769, Anna Salai, Chennai 600002.
Tel: 044 2849 7812/0876/0811
Fax: 044 2849 7812
E-mail: pradeep.kumar@careratings.com
Contact Person: V. Pradeep Kumar
Website: www.careratings.com
SEBI Registration No: IN/CRA/004/1999

Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated ‘CARE AA+ Stable’ by CARE and ‘CRISIL AA/Stable’ by CRISIL for an amount of upto ₹ 30,000 million vide their letters dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019) and December 6, 2018 (and revalidated on February 19, 2019 and further revalidated on March 19, 2019) respectively. The rating of the NCDs by CARE and CRISIL indicates a high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The ratings provided by CARE and CRISIL 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 the NCDs and investors should take their own decisions. For further details, please refer to Annexure A for the rating letters and the rationale for the above ratings.

Underwriting

This Issue will not be underwritten.

Expert Opinion

Except for the letter dated December 11, 2018 (and revalidated on February 14, 2019 and further revalidated on March 20, 2019) issued by CARE in respect of the credit rating for the NCDs and consent of the Statutory Auditor dated February 19, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche 1 Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 24, 2018on the Limited Review Financial Results for the quarter and half year ended September 30, 2018; (iii) Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2018; and (iv) their report dated February 18, 2019 on the statement of tax benefits, included in the Shelf Prospectus, our Compamy has not obtained any expert opinions in respect of the Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registered Brokers / RTAs / CDPs

Applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

For further details, please see the section titled "*Issue Procedure*" on page 49.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	**ISSUE CLOSES ON**
April 5, 2019	May 3, 2019

** The Issue shall remain open for subscription on Working Days from 10:00 a.m. till 5:00 PM (Indian Standard Time) during the period indicated above, with an option for early closure or extension by such period as may be decided by the Board of Directors or a duly constituted committee thereof. In the event of such early closure or extension of the Issue, our Company shall ensure that public notice of such early closure or extension is published on or before the day of such early date of closure or the initial Tranche 1 Issue Closing Date, through an advertisement in at least one national daily newspaper with wide circulation. On the Tranche 1 Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. For further details please refer to the chapter titled "Issue Related Information" on page 30.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advisedto submit their Application Forms one day prior to the Tranche 1 Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche 1 Issue Closing Date.

Applicants are cautioned that in the event a large number of Applications are received on the Tranche 1 Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche 1 Issue. Application Forms will only be accepted on Working Days during the Tranche 1 Issue Period. Neither our Company, nor the Lead Managers, Consortium Members, sub-brokers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

OBJECTS OF THE ISSUE

Issue Proceeds

The funds raised through this Tranche 1 Issue will be utilised for our various financing, lending, investments, repaying our existing liabilities or loans, towards our business operations, capital expenditure, working capital requirements and general corporate purposes, after meeting the expenditures of and related to the Issue and subject to applicable statutory/regulatory requirements

The main objects clause of the Memorandum of Association of our Company permits our Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche 1 Issue.

The details of the proceeds of the Tranche 1 Issue are summarized below:

Particulars	Estimated amount (in ₹ million)
Gross proceeds to be raised through the Tranche I Issue	7,500.00
Less: - Tranche I Issue related expenses	120.00
Net Proceeds of the Tranche I Issue after deducting the Tranche I Issue related expenses	7,380.00

**The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue, the number of allottees, market conditions and other relevant factors.*

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment /prepayment of interest and principal of existing borrowings of our Company	At least 75%
2.	General Corporate Purposes	Maximum of up to 25%
Total		**100%**

#

Issue Related Expenses

A portion of the Tranche 1 Issue Proceeds will be used to meet Issue-related expenses. The following are the estimated expenses for the Tranche I Issue:

S. No.	Partciulars	Amount (in ₹ million)	As percentage of the Tranche 1 Issue Proceeds	As percentage of total expenses of the Tranche I Issue (in %)
1.	Fee Payable to Intermediaries including Registrar to the Issue and Debenture Trustee	6.65	0.09	5.54
2.	Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee	103.00	1.37	85.83
3.	Advertising and Marketing, Printing and Stationery Costs	6.50	0.09	5.42
4.	Other Miscellaneous Expenses	3.85	0.05	3.21
Total		120.00	1.60	100

**The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche 1 Issue, the number of allottees, market conditions and other relevant factors.*

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/Sub-Brokers/Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹10 per Application Form procured (plus service tax and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee.

The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

Funding plan
NA

Summary of the project appraisal report
NA

Schedule of implementation of the project
NA

Interim use of Proceeds

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Tranche 1 Issue for the purposes described above, our Company intends to temporarily invest funds in high-quality interest-bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board of Directors shall monitor the utilisation of the proceeds of the Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from the financial year ended March 31, 2019, the utilisation of the proceeds of the Tranche 1 Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche 1 Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Tranche 1 Issue. Further, in accordance with the Debt Listing Agreement, our Company will furnish to the BSE on a half yearly basis, a statement indicating material deviations, if any, in the use of Tranche 1 Issue proceeds and shall also publish the same in newspapers simultaneously with the half-yearly financial results.

Other confirmations

All monies received pursuant to the issue of NCDs to public shall be kept in a separate bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013;

Details of all monies utilised this Tranche 1 Issue shall be disclosed separately in our annual financial statements indicating the purpose for which such monies had been utilised;

Details of all unutilised monies out of issue of NCDs, if any, referred to above shall be disclosed separately in our annual financial statements indicating the form in which such unutilized monies have been invested;

In accordance with the SEBI Debt Regulations, our Company will not utilise the proceeds of the Tranche 1 Issue for providing loans to or acquisition of shares of any person who is a part of the same group as our Company or who is under the same management as our Company.

The Tranche 1 Issue proceeds shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

No part of the proceeds from this Tranche 1 Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter except in ordinary course of business.

No part of the proceeds from this Tranche 1 Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company.

Our Company confirms that it will not use the proceeds of the Tranche 1 Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

We shall utilize the Tranche 1 Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, and upon receipt of the listing and trading approval from the Stock Exchange(s) as stated in this Tranche 1 Prospectus in the section titled "*Terms of the Issue*" beginning on page 38.

Variation in terms of contract or objects in this Tranche 1 Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which the Tranche 1 Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013.

Benefit / interest accruing to Promoters or Directors out of the objects of the Issue

There is no benefit or interest accruing to the Promoters or Directors from the objects of the Tranche 1 Issue.

MATERIAL DEVELOPMENTS

There are no material developments in relation to our Company as disclosed in the sections titled "*Risk Factors*" "*Selected Financial Information*", "*Capital Structure*", "*Summary of Business*", "*Our Business*", "*Regulations and Policies*", "*Our Management*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*", "*Outstanding Litigations and Material Developments*" and "*Main Provisions of the Articles of Association of the Company*" of the Shelf Prospectus which would make them misleading in any material respect.

All disclosures made in this Tranche I Prospectus, read together with the Shelf Prospectus, with respect to Tranche I Issue are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed Issue. The disclosures in the Tranche I Prospectus, read together with the Shelf Prospectus, are true and correct are not misleading in any material respect and there are no other material facts, the omission of which makes the Tranche I Prospectus, read together with the Shelf Prospectus misleading in any material respect.

STATEMENT OF TAX BENEFITS

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested as defined in Section 2(18)(b)(B) of the Income Tax Act, 1961, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. As per section 2(29A) read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.

   As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

   However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

   In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Securities Transaction Tax ("STT") is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.

6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:

a) Any security issued by a Company in a dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.

c) When theAssessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.

d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a companyor a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 2,500 whicheve is less to a resident individual whose total income does not exceed Rs.3,50,000.

(ii) Senior citizens, who are 60 or more years of age at any time during the financialyear,enjoythe special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

7. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.

8. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long term capital gains. Long-term capital loss on

debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set- off against subsequent year's long-term capital gains.

II. Tax benefits available to the Non-Resident Debenture Holders

1. A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

   a) As per section 115C(e) of the Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

   b) As per section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition.

      Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

   c) As per section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein. However, if the new assets are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the new assets are transferred or converted into money.

   d) As per section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.

   e) As per section 115H of the I.T. Act, where a non-resident Indian becomes assessable as resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

2. In accordance with and subject to the provisions of section 115-I of the I.T. Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,

   a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

   b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act

c) Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E of the I.T. Act, and at the normal rates for Short Term Capital Gains if the payee debenture holder is a non-resident Indian.

4. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set- off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

5. The income tax deducted shall be increased by surcharge as under:

(a) In the case of non-resident Indian, surcharge at the rate of 10% of such tax liability (if agreegate of such income paid or likely to be paid and subject to the deductionexceeds Rs. 50,00,000 and does not exceed Rs. 1,00,00,000) and 15% of such tax liability (if income exceeds Rs. 1,00,00,000) subject to deduction.

(b) In the case of foreign companies, surcharge at the rate of 2% of such tax liability where the income orthe aggregate of such income paid or likely to be paid and subject to deduction exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000, surcharge at the rate of 5% of such income tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 10,00,00,000.

(c) Cess is to be applied at 4% on aggregate of base tax and surcharge.

6. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate ("**TRC**"), is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

7. Alternatively, to ensure non-deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.

III. Tax benefits available to the Foreign Portfolio Investors ("FPIs")

1. As per Section 2(14) of the I.T. Act, any securities held by FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FPIs as capital gains.

2. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.

3. Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess) in accordance with and subject to the provisions of Section 115AD of the I.T. Act.

4. Section 194LD in the I.T. Act provides for lower rate of withholding tax at the rate of 5% (plus applicable surcharge and cess) on payment by way of interest paid by an Indian company to FPIs in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified by the Government.

5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FPIs.

6. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. Further, as per the provisions of Section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. Exemption under Sections 54F of the I.T. Act

1. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long-term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

VI. Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (“deductee”) to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

(i) at the rate specified in the relevant provision of the I.T. Act; or

(ii) at the rate or rates in force; or

(iii) at the rate of twenty percent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

4. A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (1) above in such a case.

5. Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (2) above will apply apart from penal consequences.

VII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where any person receives debentures from any person on or after 1st April, 2017:

(a) without consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;

(b) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration; shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated in section 56(2)(x) of the I.T. Act.

VIII. General Anti-Avoidance Rule ('GAAR)

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be interalia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2018.

2. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.

3. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the nonresident has fiscal domicile.

4. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.

5. Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% on tax where total income exceeds Rs. 50 lakh but does not

exceed Rs. 1 crore and at the rate of 15% on tax where the total income exceeds Rs. 1 crore.

6. Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds Rs. 1 crore.

7. Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds Rs 1 crore but does not exceed Rs. 10 crores and at the rate of 12% on tax where the income exceeds Rs. 10 crores.

8. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.

9. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

10. The above statement sets out the provisions of law in a summary manner only and is not complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.

11. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

12. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION III – ISSUE RELATED INFORMATION

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue is being made pursuant to the resolution passed by the Board on July 25, 2018 and October 25, 2018 and the resolution passed by the Banking and Securities Management Committee approving the Draft Shelf Prospectus at its meeting held on February 19, 2019 and the resolution passed by the Banking and Securities Management Committee approving the Shelf Prospectus at its meeting held on March 27, 2019.

This Tranche 1 Issue and Tranche 1 Prospectus have been approved by the Banking and Securities Management Committee by its resolution as its meeting held on March 27, 2019.

Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders of the Company at the Annual General Meeting of the Company on July 25, 2018.

Eligibility to make the Issue

Our Company, the persons in control of our Company, our Directors or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force.

Neither our Company nor our Promoter nor Directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.

Consents

Consents in writing of the Directors, thje Chief Financial Officer, the Compliance Officer, the Statutory Auditors, Bankers to the Company, Bankers to the Issue, Lead Managers, Registrar to the Issue, Legal Counsel to the Company and Lead Managers as to Indian law, Credit Rating Agencies, Industry Expert and the Debenture Trustee, Consortium Members to act in their respective capacities, have been obtained and shall be filed along of this Tranche 1 Prospectus and the Shelf Prospectus with the RoC.

Our Company has appointed Catalyst Trusteeship Limited as the Debenture Trustee under regulation 4(4) of the SEBI Debt Regulations. The Debenture Trustee has given its consent to our Company for its appointment which is enclosed as Annexure B.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED 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 THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE CERTIFIED THAT DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED AND IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS

RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, A. K. CAPITAL SERVICES LIMITED AND EDELWEISS FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 2019 WHICH READS AS FOLLOWS:

1. **WE CONFIRM THAT NEITHER THE COMPANY NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**

3. **WE CONFIRM THAT THE DRAFT SHELF PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

5. **WE CONFIRM THAT NO COMMENTS/COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED FEBRUARY 19, 2019 FILED WITH BSE LIMITED, BEING THE DESIGNATED STOCK EXCHANGE.**

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED FEBRUARY 28, 2019 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A. **WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

B. **WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**

C. **TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF

ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer clause of RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 27, 2015 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RESERVE BANK OF INDIA DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO FINANCIAL SOUNDNESS OF THE COMPANY OR CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS / DISCHARGE OF LIABILITIES BY THE COMPANY.

Disclaimer in Respect of Jurisdiction

The Issue is being made in India, to investors from Category I, Category II, Category III and Category IV. This Tranche 1 Prospectus will not, however constitute an offer to sell or an invitation to subscribe to the NCDs offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Tranche 1 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

CRISIL Disclaimer

CRISIL Limited (CRISIL) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL from sources which it considers reliable (Information). A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Shriram City Union Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche 1 Issue Closing Date, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Tranche 1 Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Tranche 1 Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Change in auditors of our Company during the last three years

The following are the details of change in the auditors of our Company during the last three years:

S. No	Name of auditor	Address	Date of appointment/ resignation	Auditor of the Company since (in case of resignation)	Reason
1	M/s Pijush Gupta & Co, Chartered Accountants	GF -17, Augusta Point , Golf Course Road, Sector – 53. Gurugram – 122002.	June 30, 2017	M/s G D Apte & Co Chartered Accountants	Retired at the AGM held on June 30, 2017
2	M/s G D Apte & Co Chartered Accountants	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038	June 30, 2017	Not applicable.	Appointed at the AGM held on June 30, 2017

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Reservation

No portion of this Issue has been reserved.

Reservations or Qualifications or Adverse Remarks of Auditors

There have been no reservations of qualifications or adverse remarks of auditors in the last five fiscals.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014 further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of the outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the outstanding NCDs as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The SCD Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The above-mentioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during the year ending on the 31st day of March of that year.

Statement by the Board of Directors

(i) All monies received out of the issue of the NCDs to the public shall be transferred to a separate bank account other than the bank account referred to in section 40(3) of the Companies Act, 2013;

(ii) Details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies were utilised; and

(iii) Details of all unutilised monies out of the Tranche 1 Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.

(iv) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Tranche 1 Issue Closing Date or such lessser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;

Track Record of past issues handled by the Lead Managers

The track record of past issues handled by A.K Capital and Edelweiss are at available www.akgroup.co.in and www.edelweissfin.com respectively.

Listing

The NCDs will be listed on BSE. BSE is the Designated Stock Exchange. BSE has given in-principle listing approval through their letter dated February 28, 2019.

If the permission to list and trade the NCDs has not been granted by the BSE, our Company shall repay all such moneys received from the Applicant in compliance with applicable law. Our Company shall use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE will be taken within 6 Working Days from the Tranche 1 Issue Closing Date.

Mechanism for redressal of investor grievances

Integrated Registry Management Services Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

All grievances relating to the Tranche 1 Issue should be addressed to the Registrar to the Issue and the Compliance Officer giving full details of the Applicant, number of NCDs applied for, amount paid on application series applied for and Member of the Syndicate/Trading Member/SCSB to which the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances arising out of Applications for the NCDs made through Trading Members may be addressed directly to BSE.

ISSUE STRUCTURE

The following are the key terms of the NCDs issued under this Tranche 1 Prospectus. This section should be read in conjunction with and is qualified in its entirety by more detailed information in "*Terms of the Issue*" on page 38.

The NCDs being offered as part of the Tranche 1 Issue are subject to the provisions of the SEBI Debt Regulations, the Debt Listing Agreement, and the Companies Act, 2013, the RBI Act, the terms of the Shelf Prospectus, this Tranche 1 Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Issuer	Shriram City Union Finance Limited.
Type of instrument/Security Name	Secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each.
Nature of instrument	Secured.
Seniority	Senior.
Mode of issue	Public issue.
Eligible Investors	See the section titled "*Issue Procedure"* on page 49.
Listing	The NCDs shall be listed on the BSE within 6 Working Days from the Tranche 1 Issue Closing Date.
Rating of the instrument	'CARE AA+ Stable' (Double A Plus; Outlook: Stable) by CARE and 'CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) by CRISIL 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. For the rationale of this rating, see Annexure A.
Base Issue size	₹ 1,000 million
Option to retain oversubscription	₹ 6,500 million.
Objects of the Issue	See the section titled "*Objects of the Issue"* on page 19.
Details of utilization of proceeds	See the section titled "*Objects of the Issue*" on page 19.
Coupon rate	See the section titled "*Terms of the Issue"* on page 38.
Step up/ step down coupon rates	NA
Coupon payment frequency	See the section titled "*Terms of the Issue"* on page 38.
Coupon payment dates	See the section titled "*Terms of the Issue"* on page 38.
Coupon type	Fixed.
Coupon reset process	NA
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.
Day count basis	Actual/ Actual.
Tenor	See the section titled "*Terms of the Issue"* on page 38.
Redemption Dates	See the section titled "*Terms of the Issue"* on page 38.
Redemption Amount	See the section titled "*Terms of the Issue"* on page 38.
Redemption Premium/Discount	NA
Issue Price (in ₹)	₹ 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	NA
Put Date/Put Price/Call Date/Call Price/ Put Notification Time/Call Notification Time	NA
Face Value (in ₹)	₹ 1,000 per NCD

Minimum application size and in multiples of debt securities thereafter	₹10,000 (10 NCDs) and in multiple of ₹1,000 (1 NCD) thereafter
Issue Timing **1. Tranche I Issue Opening Date** **2. Tranche I Issue Closing Date**	1. April 5, 2019 2. May 3, 2019
Pay-in Date	Application Date. The entire Application Amount is payable on Application
Deemed date of Allotment	The date on which the Banking and Securities Management Committee approves the Allotment of the NCDs for the Tranche 1 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 1 Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.
Issuance mode of the instrument	Dematerialised form only.
Trading	In dematerialised form only.
Depositories	NSDL and CDSL.
Business day convention/ Working Day	Working Day(s) shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to the Tranche I Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India when stock exchanges are closed for trading. Furthermore, for the purpose of post issue period, i.e. period beginning from the Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges in India excluding Sundays and bank holidays in Mumbai. If the date of payment of interest specified does not fall on a Working Day, then the succeeding Working Day will be considered as the effective date for such payment of interest, as the case may be (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated date of payment of interest. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act, 1961 or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last interest payment date) falls on a holiday, the interest/redemption payments shall be made only on the preceding Working Day, along with interest accrued on the NCDs until such date, however, excluding the date of such payment.
Record Date	The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption under this Tranche 1 Prospectus. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.
Security	The principal amount of the NCDs to be issued in terms of this Tranche 1 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon pursuant to the Issue.
Transaction documents	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus read with any notices, corrigenda, addenda thereto, Issue Agreement, Registrar Agreement, Debenture Trust Deed, Debenture Trust Agreement, Public Issue Account Agreement and Tripartite Agreements executed or to be executed by our Company, as the case may be. For further details please see the section titled, "*Material Contracts and Documents for Inspection"* on page 72.
Conditions Precedent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions precedents to disbursement.
Conditions Subsequent to Disbursement	Other than the conditions specified in the Debt Regulations, there are no conditions subsequent to disbursement.
Events of default	See the section titled "Terms of the Issue" on page 38.
Cross default provisions	See the section titled "Terms of the Issue" on page 38.
Roles and responsibility of the Debenture Trustee	See the section titled "Terms of the Issue" on page 38.
Governing law and jurisdiction	The NCDs are governed by and shall be construed in accordance with the existing Indian laws. Any dispute between the Company and the NCD Holders will be subject to the jurisdiction of

	competent courts in Chennai.
Security cover	At least 100% of the outstanding NCDs and the interest thereon at any point of time.

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form.*

***The Tranche 1 Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m., during the period indicated in this Tranche 1 Prospectus, except that the Tranche 1 Issue may close on such earlier date or extended date as may be decided by the Board. In the event of such an early closure of or extension of the Tranche 1 Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a national daily newspaper with wide circulation on or before such earlier date or initial date of closure. Applications Forms for the Tranche 1Issue will be accepted only from 10:00 a.m. till 5:00 p.m. or such extended time as may be permitted by BSE, on Working Days during the Tranche 1 Issue Period. On the Tranche 1 Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. or such extended time as may be permitted by BSE.*

Please see "Issue Procedure" on page 49 for details of category wise eligibility and allotment in the Tranche 1 Issue.

Participation by any of the investor classes in this Tranche 1 Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

In case of Application Form being submitted in joint names, Applicants should ensure that the demat account is also held in the same joint names, and the names are in the same sequence in which they appear in the Application Form.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

For further details, please see section titled "*Issue Procedure*" on page 49.

TERMS OF THE ISSUE

Specific terms for each series of the NCDs

Particulars	Series							
	I	II	III*	IV	V	VI	VII	VIII
Frequency of Interest Payment	Annual	Cumulative	Annual	Monthly	Cumulative	Annual	Monthly	Cumulative
Minimum Application	₹10,000 (10 NCDs) across all series collectively							
Face Value/ Issue Price of NCDs	₹ 1,000 per NCD							
In multiples of thereafter	₹ 1,000 (1 NCD) across all series							
Tenor	24 months	24 months	36 months	36 months	36 months	60 months	60 months	60 months
Coupon (% per annum)	9.55	NA	9.65	9.26	NA	9.75	9.35	NA
Effective Yield (% per annum)	9.55	9.55	9.64	9.65	9.65	9.74	9.75	9.75
Mode of Interest Payment	Through various modes available							
Amount on Maturity (₹)	1,000	1,200.15	1,000	1,000	1318.70	1000	1,000	1593.15
Put and Call Options	NA							

With respect to series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual series will be made at the time of redemption of the NCDs.
Subject to applicable tax deducted at source, if any
Please refer to Annexure C for details pertaining to the cash flows of the Company in accordance with the SEBI circular bearing number CIR/IMD/DF/18/2013 dated October 29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016.
**Our Company would allot the Series III NCDs, as specified in this Tranche 1 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant Series of NCDs.*

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to this Tranche 1 Issue.

Maturity and Redemption

Series I NCDs

In case of Series I NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series I NCD:

Category of NCD Holders	Coupon (%)
All categories	9.55

Series I NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months from the Deemed Date of Allotment.

Series II NCDs

In case of Series II NCDs, interest along with the principal would be redeemed at the end of 24 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,200.15

Series III NCDs

In case of Series III NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series III NCD:

Category of NCD Holders	Coupon (%)
All categories	9.65

Series III NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series IV NCD

In case of Series IV NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series IV NCD:

Category of NCD Holders	Coupon (%)
All categories	9.26

Series IV NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 36 months from the Deemed Date of Allotment.

Series V NCDs

In case of Series V NCDs, interest along with the principal would be redeemed at the end of 36 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,318.70

Series VI NCDs

In case of Series VI NCDs, interest would be paid annually on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VI NCD:

Category of NCD Holders	Coupon (%)
All categories	9.75

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VII NCDs

In case of Series VII NCDs, interest would be paid monthly on Actual/Actual basis at the following rate of interest on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of each Series VII NCD:

Category of NCD Holders	Coupon (%)
All categories	9.35

Series VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 60 months from the Deemed Date of Allotment.

Series VIII NCDs

In case of Series VIII NCDs, interest along with the principal would be redeemed at the end of 60 months from the Deemed Date of Allotment as mentioned below:

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
All categories	1,000	1,593.15

Payment of Interest

The amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Mumbai, then interest as due and payable on such day, would be paid on the succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

Mode of payment of Interest to NCD Holders

Payment of interest will be made (i) in case of NCDs in dematerialised form the persons who for the time being appear in the register of beneficial owners of the NCDs as per the Depositories as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details please see "*Manner of Payment of Interest / Refund / Redemption*" on page 43.

Ranking of NCDs

The NCDs would constitute secured obligations of our Company and shall rank *pari passu* with the existing secured creditors on all loans and advances/ book debts/ receivables, both present and future of our Company and immovable property equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136(1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the Register of Debenture Holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus the Tranche 1 Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the updated record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose.
6. Subject to compliance with applicable statutory requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD Holders are merely indicative. The final rights of the NCD Holders will be as per the terms of the Transaction Documents and the Debenture Trust Deed.

Nomination Facility to NCD Holders

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 ("**Rule 19**") and the Companies Act, 2013, the sole NCD Holder, or first NCD Holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13,** any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder's death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

(a) to register himself or herself as holder of NCDs; or
(b) to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form. Applicants holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Taxation

As per clause (ix) of Section 193 of the IT Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the SCRA and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialised form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Deemed Date of Allotment

The date on which the Banking and Securities Management Committee the approves the Allotment of the NCDs for this Tranche 1 Issue, or such other date as may be determined by the Banking and Securities Management Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche 1 Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment.

Application Size

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter (for all series of NCDs taken individually or collectively). The minimum application size for each application for NCDs would be ₹10,000 and in multiples of ₹1,000 thereafter.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price per NCD, as specified in this Tranche 1 Prospectus, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of this Tranche 1 Prospectus.

Record Date

The date for payment of interest in connection with the NCDs or repayment of principal in connection therewith which shall be 15 days prior to the date of payment of interest, and/or the date of redemption as per this Tranche 1 Prospectus. In case the Record Date falls on a day of holiday for Depositories, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below*:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Managers our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.*

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

   Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

   National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("**MICR**") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 2,00,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/ redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form, on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least 7 days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through post.

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by our Company.

Form and Denomination

In case of NCDs held under different option, separate certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each series.

It is however distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, no action is required on the part of NCD holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below*.

NCDs held in physical form on account of rematerialization

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

NCDs held in electronic form

On the redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCDs.

**In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹1,838.*

Right to reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, as applicable on the date of this Tranche 1 Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. 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 register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Issue Structure*" on page 35 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, the relevant provisions of which shall come into effect from April 1, 2019, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depository; and

- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013 applicable as on the date of this Tranche 1 Prospectus shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

For NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holders required to be given by us or the Debenture Trustee will be sent by post or through email or other electronic media to the registered NCD Holders from time to time.

Issue of duplicate NCD Certificate(s)

If NCD certificate(s) is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Security

The principal amount of the NCDs to be issued in terms of this Tranche 1 Prospectus together with all interest due on the NCDs by way of a first and exclusive charge on specified future receivables of our Company in favor of the Debenture Trustee and first and exclusive charge on identified immovable property of our Company, as decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favor of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100% asset cover for the NCDs, and the interest thereon.

Our Company intends to enter into an agreement with the Debenture Trustee, ("**Debenture Trust Deed"**), the terms of which will govern the appointment of the Debenture Trustee and the issue of the NCDs. Our Company proposes to complete the execution of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Designated Stock Exchange.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche 1 Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or a higher value.

Trustees for the NCD holders

We have appointed Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) to act as the Debenture Trustees for the NCD Holders. The Debenture Trustee and we will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by us to the Debenture Trustee on behalf of the NCD Holders shall discharge us *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s).

As per the RBI circular dated June 27, 2013, our Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues.

Lien on pledge of NCDs

Our Company may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency without the consent of, or notification to or consultation with the holder of NCDs or the Debenture Trustee by creating a charge on any assets, provided the stipulated security cover is maintained.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No. CIR/IMD/DF/18/2013 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be as disclosed in Annexure C.

Payment of Interest

If allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be refunded/unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please see, "*Issue Procedure - Rejection of Applications*" on page 60.

ISSUE PROCEDURE

This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018, which provides, inter-alia, that for all public issues of debt securities opening on or after October 1, 2018, all Applicants shall mandatorily use the ASBA facility for participating in the Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts

ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche 1 Prospectus.

Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("Debt Application Circular"). The procedure mentioned in this section is subject to the Stock Exchange putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by the Stock Exchange and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the Debt Application Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE 1 PROSPECTUS, THE TRANCHE 1 ISSUE OPENING DATE AND THE TRANCHE 1 ISSUE CLOSING DATE.

THE LEAD MANAGERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term "Working Day" shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Tranche 1 Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Tranche 1 Issue Closing

Date to listing of the NCDs, Working Days shall mean all trading days of Stock Exchange excluding Sundays and bank holidays in Mumbai.

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions scheduled commercial banks, co-operative banks and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds with a minimum corpus of ₹250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons

Category III

- High Net-worth Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹10,00,000 across all options of NCDs in this Tranche 1 Issue

Category IV

- Retail Individual Investors - Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹10,00,000 across all options of NCDs in this Tranche 1 Issue.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers and their respective associates and affiliates are permitted to subscribe in this Tranche 1 Issue.

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche 1 Prospectus.

How to apply?

Availability of the Shelf Prospectus, this Tranche 1 Prospectus, Abridged Prospectus and Application Forms.

Please note that there is a single Application Form for who are persons resident in India.

Copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche 1 Prospectus together with Application Forms and copies of the Shelf Prospectus and this Tranche 1 Prospectus may be obtained from our Registered and Corporate Office, the Lead Managers, the Registrar to the Issue and the Designated Branches of the SCSBs. Additionally, the Shelf Prospectus, this Tranche 1 Prospectus and the Application Forms will be available

(i) for download on the website of BSE at www.bseindia.com, and the website of the Lead Managers at www.akgroup.co.in and www.edelweissfin.com.

(ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Tranche 1 Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility ("**Direct Online Application Mechanism**"). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. Please note that the Applicants will not have the option to apply for NCDs under this Issue, through the direct online applications mechanism of the Stock Exchange. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange have confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Tranche 1 Issue.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, *i.e*. to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at http://www.sebi.gov.in.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchange.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards single issuer limit is 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval).

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in a relevant Tranche Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

Insurance companies registered with the IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Alternative Investments Funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Applications made by companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

In case of Applications made pursuant to a power of attorney by Applicants from Category II and Category III, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by National Investment Funds

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.

Applications by Non-banking financial companies

Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Tranche 1 Issue.

Applications cannot be made by:

a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);

b) Foreign nationals;

c) Persons resident outside India;

d) Foreign Institutional Investors;

e) Foreign Portfolio Investors;

f) Non Resident Indians;

g) Qualified Foreign Investors;

h) Overseas Corporate Bodies**;

i) Foreign Venture Capital Funds; and

j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* *Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

***The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form. Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 6 (six) Working Days of the Tranche 1 Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Tranche 1 Tranche Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.

2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.

4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and Tranche 1 Prospectus with ROC

A copy of the Shelf Prospectus and this Tranche 1 Prospectus has been be filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement on or before the Tranche 1 Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI Debt Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and the Tranche 1 Prospectus the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Instructions for completing the Application Form

(a) Applications must be made in the prescribed Application Form.

(b) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Shelf Prospectus, this Tranche 1 Prospectus and the Application

Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.

(c) Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in this Tranche 1 Prospectus.

(d) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(e) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.

(f) Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.

(g) Applicants must ensure that their Application Forms are made in a single name.

(h) If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.

(i) Applicant should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

(j) All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.

(k) Applications for all the options of the NCDs may be made in a single Application Form only.

The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche 1 Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

On the basis of the DP ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor

the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche 1 Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche 1 Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Applications are liable to be rejected.

Electronic registration of Applications

(a) The Designated Intermediaries will register the Applications using the on-line facilities of Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the Designated Intermediaries, (ii) the Applications uploaded by the Designated Intermediaries, (iii) the Applications accepted but not uploaded by the Designated Intermediaries, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (iv) Applications accepted and uploaded by the Designated Intermediaries for which the Application Amounts are not blocked by the SCSBs.

(b) The Stock Exchange will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of Members of the Consortium and the other Designated Intermediaries during the Issue Period. On the Issue Closing Date, the Members of the Consortium and the other Designated Intermediaries shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of the Consortium and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

(c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Issue Period.

(d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

(e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Members of the Consortium or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Shelf Prospectus, the Shelf Prospectus or this Tranche 1 Prospectus nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.

(g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

(h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

General Instructions

Do's

- **Check if you are eligible to apply as per the terms of the Shelf Prospectus, the Shelf Prospectus, this Tranche 1 Prospectus and applicable law;**

- **Read all the instructions carefully and complete the Application Form;**

- Ensure that the details about Depository Participant and beneficiary account are correct and the beneficiary account is active;

- Applications are required to be in single or joint names (not more than three);

- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;

- Ensure that Applications are submitted to the Designated Intermediaries, before the closure of application hours on the Issue Closing Date;

- Information provided by the Applicants in the Application Form will be uploaded on to the online platform of the Stock Exchange by the Designated Intermediaries, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible;

- Ensure that the Applicant's names (given in the Application Form is exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that you have funds equal to or more than the Application Amount in your ASBA Account before submitting the Application Form;

- Ensure that you mention your PAN in the Application Form. In case of joint applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

  Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to the circular dated April 3, 2008 issued by SEBI) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same.

- Ensure that the Demographic Details as provided in the Application Form are updated, true and correct in all respects;

- Ensure that you request for and receive an Acknowledgement Slip for all your Applications and an acknowledgement as a proof of having been accepted;

- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of the NCDs;

- Before submitting the physical Application Form with the Designated Intermediaries, ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;

- For Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Designated Intermediaries and not to the Public Issue Account Banks or Refund Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;

- For Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Public Issue Bank (assuming that such bank is not a SCSB), to our Company, the Registrar to the Issue or the Designated Intermediaries;

- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the account holder;

- Ensure that you have mentioned the correct ASBA Account number in the Application Form;

- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the, or to the Members of the Consortium at the Specified Locations, or to the

Designated Intermediaries, as the case may be;

- Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;

- Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Consortium, or the Designated Intermediaries, as the case may be, for the submission of the Application Form;

- Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

- Ensure that your Application Form bears the stamp of the relevant Designated Intermediaries to whom the Application is submitted;

- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and

- Tick the Option of NCDs in the Application Form that you wish to apply for.

Don'ts

- Do not apply for lower than the minimum Application size;

- Do not pay the Application amount in cash, by money order, postal order or by stockinvest;

- Do not send the Application Forms by post; instead submit the same to the Designated Intermediaries (as the case may be) only;

- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;

- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar;

- Do not fill up the Application Form such that the NCDs applied for exceeds the size of this Issue and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;

- Do not submit an Application in case you are not eligible to acquire the NCDs under applicable law or your relevant constitutional documents or otherwise;

- Do not make payment of the Application Amounts in any mode other than through blocking of the Application Amounts in the ASBA Accounts;

- Do not submit more than five Application Forms per ASBA Account;

- Do not submit the Application Forms without the Application Amount; and

- Do not apply if you are not competent to contract under the Indian Contract Act, 1872.

Submission of Application Forms

For details in relation to the manner of submission of Application Forms, please see the section titled "*Issue Procedure*" on page 49.

OTHER INSTRUCTIONS

Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other options of NCDs, as specified in the relevant Tranche Prospectus for each Tranche Issue, subject to a minimum Application size as specified in the relevant Tranche Prospectus for each Tranche Issue for each Application. Any Application for an amount below the aforesaid minimum Application size will be deemed as an invalid Application and shall be rejected. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of an HUF and/or as joint Applicant (second or third applicant), shall not be deemed to be multiple Applications.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

(i) Tripartite Agreements dated March 30, 2000 and April 30, 1999, between us, the Registrar to the Issue and CDSL and NSDL, respectively have been executed, for offering depository option to the Applicants.

(ii) An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.

(iii) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.

(iv) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.

(v) It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.

(vi) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.

(vii) The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under this Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 49.

Communications

All future communications in connection with Applications made in this Tranche 1 Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Tranche 1 Issue related problems and/or post-Tranche 1 Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any post-Tranche 1Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- Applications not made through the ASBA facility
- Number of NCDs applied for being less than the minimum Application size;
- Applications not being signed by the sole/joint Applicants;
- Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- Application Amount blocked being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- Investor Category in the Application Form not being ticked;
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form
- Applications where a registered address in India is not provided by the Applicant;
- ASBA Bank account details to block Application Amount not provided in the Application Form;
- Submission of more than 5 ASBA Forms per ASBA Account;
- Applications by persons not competent to contract under the Indian Contract Act, 1872 including a minor without the name of a guardian;
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- DP ID and Client ID not mentioned in the Application Form;
- Applications by stockinvest or accompanied by cash/money order/postal order or any mode other than ASBA;
- If an authorization to the SCSB for blocking funds in the ASBA Account has not been provided;
- Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However a Limited Liability Partnership

firm can apply in its own name;

- Applications made without mentioning the PAN of the Applicant, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants;
- GIR number mentioned in the Application Form instead of PAN;
- Application by OCBs;
- Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations;
- Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- Applications by any persons outside India;
- For all Applications for Allotment the, DP ID, Client ID and PAN mentioned in the Application Form do not match with the DP ID, Client ID and PAN available in the records with the depositories;
- Applications by persons who are not eligible to acquire the NCDs in terms of applicable laws, rules, regulations, guidelines and approvals;
- Application Forms from Applicants not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
- Applications for an amount below the minimum Application size;
- Inadequate funds or no credit balance in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by Applicants seeking Allotment in dematerialised form whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Applications not uploaded on the terminals of the Stock Exchange;
- Applications providing an inoperative demat account number;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted along with the Application Form;
- Application Forms submitted to the Designated Intermediaries does not bear the stamp of the relevant Designated Intermediaries. Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of the Consortium, or other Designated Intermediaries, as the case may be;
- Applications by other persons who are not eligible to apply for NCDs under this Issue under applicable Indian regulatory requirements;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and this Tranche 1 Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and this Tranche 1 Prospectus;
- Applications tendered to the Designated Intermediaries at centers other than the centers mentioned in the Application Form;
- In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application; and

For further instructions regarding Application for the NCDs, Applicants are requested to read the Application Form.

Mode of making refunds

The payment of refund, if any, may be done through various electronic modes mentioned below:

i. **Direct Credit** – Applicants having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by us.

ii. **NACH** – Payment of refund would be done through NACH for Applicants having an account at any of the centres specified by RBI, where such facility has been made available. This mode of payment of refunds, if any, would be subject to availability of complete bank account details including the MICR code as available from the Depositories. The payment of refunds, if any, through this mode will be done for Applicants having a bank account at any centre where NACH facility has been made available (subject to availability of all information for crediting the refund through NACH).

iii. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. In case of online payment or wherever the Investors have registered their nine digit MICR number and their bank account number with the depository participant while opening and operating the demat account, the MICR number and their bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

iv. **RTGS** – If the refund amount exceeds ₹ 200,000, Applicants have the option to receive refund through RTGS. Charges, if any, levied by the Banker(s) to the Issue for the same would be borne by us. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.

The Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche 1 Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by post at the Applicant's sole risk, within six Working Days from the Tranche 1 Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

a) Allotment of NCDs in this Tranche 1 Issue shall be made within the time period stipulated by SEBI;

b) Credit to dematerialised accounts will be given within one Working Day from the Deemed Date of Allotment;

c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund orders have not been dispatched to the Applicants within 6 Working days from the Tranche 1 Issue Closing Date, for the delay beyond 6 Working days in case of non-receipt of minimum subscription; and

d) Our Company will provide adequate funds to the Registrar to the Issue / relevant banks for this purpose.

Basis of Allotment

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Application for the purpose of drawing the valid Applications for the purpose of drawing the basis of allocation.

Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

A. *Applications received from Category I Applicants:* Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");

B. *Applications received from Category II Applicants:* Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").

C. *Applications received from Category III Applicants:* Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net-worth Individual Category Portion**").

D. *Applications received from Category IV Applicants:* Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Category Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net-worth Individual Category Portion**" and "**Retail Individual Category Portion**" are individually referred to as "**Portion"** and collectively referred to as **"Portions"**.

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
10%	10%	40%	40%

(a) Allotments in the first instance:

i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 10% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;

iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange; and

iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 40% of Tranche 1 Issue Limit on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with the Stock Exchange, in each Portion subject to the Allocation Ratio indicated at the section titled "*Issue Procedure – Basis of Allotment*" at page 66 of this Tranche 1 Prospectus.

As per the SEBI circular dated October 29, 2013, the allotment in this Tranche 1 Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

(b) *Under Subscription:* If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non-Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis.

(c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges on a particular date exceeds NCDs to be Allotted for each portion respectively.

(d) Minimum Allotments of 1 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.

(e) *Allotments in case of oversubscription:* In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of SNCDs to the applicants on the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

(f) *Proportionate Allotments:* For each Portion, on the date of oversubscription:

i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.

ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche 1 Issue Limit, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.

iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(g) *Applicant applying for more than one Series/Options of NCDs*: If an Applicant has applied for more than one series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the 8 (eight) series and in case such Applicant cannot be allotted all the 8 (eight) Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Managers wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 24 months followed by Allotment of NCDs with tenor of 36 months and so on.

(h) Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Tranche 1 Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Tranche 1 Issue shall be taken by our Company in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche 1 Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series III NCDs to all valid applications, wherein the applicants have selected only NCDs, but have not indicated their choice of the relevant options of the NCDs.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Retention of oversubscription

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be Allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in the Tranche 1 Issue up to the Tranche 1 Issue Limit i.e. aggregating up to ₹7,500,000 lakhs. The aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche 1 Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the "**Tranche 1 Issue Limit**".

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche 1 Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment.

Pre-closure: Our Company, in consultation with the Lead Managers reserves the right to close the Tranche 1 Issue at any time prior to the Tranche 1 Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche 1 Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Tranche 1 Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche 1 Issue Closing Date.

In the event of such early closure of this Tranche 1 Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche 1 Issue Closing Date as applicable, through advertisement(s) in all those newspapers in which pre-Tranche 1 Issue advertisement and advertisement for opening or closure of this issue have been given.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche 1 Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche 1 Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche 1 Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day (till 1:00 PM) after the Tranche 1 Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche 1 Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Utilisation of Application Amounts

The sum received in respect of the Tranche 1 Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of the proceeds of this Issue

- All monies received out of this Issue shall be credited / transferred to a separate bank account maintained with a Scheduled Bank as referred to in Section 40 of the Companies Act, 2013.

- The allotment letter shall be issued or application money shall be refunded within 6 Working days from the closure of this Tranche I Issue or such lesser time as may be specified by Securities and Exchange Board, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

- Details of all monies unutilised out of the previous issues made by way of public offer, as well as the monies to be raised through this Issue, if any, shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the securities or other forms of financial assets in which such unutilized monies have been invested.

- Details of all monies utilised out of the previous issue made by way of public offer shall be disclosed and continued to be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilized.

- Details of all unutilised monies out of this Tranche 1 Issue, if any, shall be disclosed and continued to be disclosed under an appropriate head in our balance sheet till the time any part of the proceeds of this Issue remains unutilized indicating the form in which such unutilised monies have been invested.

- We shall utilize proceeds of this Issue subsequent to (a) receipt of minimum subscription; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining listing and trading approval as stated in this Tranche 1 Prospectus in "*Issue Structure*" on page 35.

- Proceeds of this Tranche 1 Issue shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property or in the purchase of any business or in the purchase of an interest in any business.

- Proceeds of this Tranche 1 Issue shall not be utilized for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who:

(a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

Listing

The NCDs proposed to be offered in pursuance of the Shelf Prospectus and this Tranche 1 Prospectus will be listed on the BSE. For the purpose of the Tranche 1 Issue, BSE is the designated stock exchange. Our Company has received an 'in-principle' approval from BSE by way of its letter dated February 28, 2019. The application for listing of the NCDs will be made to the Stock Exchange at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Tranche 1 Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within six Working Days from the Tranche 1 Issue Closing Date.

For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such NCDs with series shall not be listed.

Guarantee/Letter of Comfort

This Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Undertaking by our Company

We undertake that:

a) the complaints received in respect of this Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) shall be attended to by us expeditiously and satisfactorily;

b) we shall take necessary steps for the purpose of getting the NCDs listed within the specified time i.e. six Working Days from the Tranche 1 Issue Closing Date.;

c) if Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants as per applicable laws;

d) the funds required for dispatch of allotment advice/ certificates by post shall be made available to the Registrar to the Issue by our Company;

e) necessary cooperation to the credit rating agencies shall be extended in providing true and adequate information until the debt obligations in respect of the NCDs are outstanding;

f) we shall forward the details of utilisation of the funds raised through the NCDs duly certified by our statutory auditors, to the Debenture Trustee at the end of each half year;

g) we shall disclose the complete name and address of the Debenture Trustee in our annual report;

h) we shall provide a compliance certificate to the Debenture Trustee (on an annual basis) in respect of compliance with the terms and conditions of issue of NCDs as contained in the Tranche 1 Prospectus;

and

i) we shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time.

SECTION IX – MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Shelf Prospectus and until the date of this Tranche 1 Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 123, Angappa Naicken Street, Chennai 600 001, Tamil Nadu, India, from 10.00 a.m. and 12.00 noon on any Working Day during which Issue is open for public subscription.

MATERIAL CONTRACTS

1. Shareholders' Agreement dated March 30, 2012 as amended by an agreement dated July 5, 2013 between SHFL, Valiant Mauritius Partners FDI Limited and our Company;
2. Agreement dated May 29, 2015 between Dysnasty Acquistions Limited and our Company;
3. License Agreement dated April 1, 2010 between Shriram Ownership Trust and our Company and extension letter dated April 1, 2013;
4. Issue Agreement dated February 18, 2019 between our Company and the Lead Managers;
5. Registrar Agreement dated February 18, 2019 between our Company and the Registrar to the Issue;
6. Debenture Trustee Agreement dated February 16, 2019 between our Company and the Debenture Trustee;
7. Public Issue Account Agreement dated March 27, 2019 between our Company, the Registrar, the Bankers to the Issue and the Lead Managers;
8. Consortium Agreement dated March 27, 2019 between our Company, the Lead Managers and Consortium Members;
9. Tripartite Agreements dated March 30, 2000 and April 30, 1999 between our Company, the Registrar to the Issue and CDSL and NSDL respectively.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date;
2. Copy of shareholders resolution dated July 25, 2018 on borrowing limit;
3. Copy of the Board resolutions dated July 25, 2018 and October 25, 2018 approving the Issue;
4. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on February 19, 2019 approving the Draft Shelf Prospectus;
5. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on March 27, 2019 approving the Shelf Prospectus;
6. Copy of the resolution passed by the Banking and Securities Management Committee at its meeting held on March 27, 2019 approving this Tranche 1 Prospectus;
7. Consents of each of the Directors, the Chief Financial Officer the Compliance Officer, Lead Managers, legal counsel to the Company and Lead Managers as to Indian Law, Registrar to the Issue, Bankers to our Company, Bankers to the Issue the Debenture Trustee, Consortium Members and the Credit Rating Agencies to include their names in this Tranche 1 Prospectus, in their respective capacities;
8. Credit rating letter dated December 11, 2018, revalidation letter dated February 14, 2019, revalidation letter dated March 20, 2019 and credit rating rationale dated December 11, 2018 by CARE Ratings assigning a rating of CARE AA+ Stable (Double A Plus; Outlook: Stable) in respect of the NCDs.
9. Credit rating letter dated December 6, 2018, revalidation letterd dated February 19, 2019, revalidation letter dated March 19, 2019 and credit rating rationale dated December 4, 2018 by CRISIL assigning a rating of CRISIL AA/Stable' (pronounced as CRISIL double A rating with Stable outlook) in respect of the NCDs.
10. Consent of the Statutory Auditor dated February 19, 2019, to include their name as required under Section 26(1) of the Companies Act, 2013 read with SEBI Debt Regulations in this Tranche 1 Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 read with Section 26(5) of the Companies Act, 2013 in relation to their (i) examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information; (ii) Limited Review Report dated October 25, 2018 on the Limited Review Financial Results for the quarter and half year ended September 30, 2018; (iii) Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2018; and (iv) their report dated February 18, 2019 on the statement of tax benefits, included in the Shelf Prospectus.

11. Statutory Auditor’s examination reports, each dated February 16, 2019 on the Reformatted Consolidated Financial Information and the Reformatted Standalone Financial Information.
12. Limited Review Report dated October 25, 2018 on the Limited Review Financial Results for the quarter and half year ended September 30, 2018.
13. Limited Review Report dated January 25, 2019 on the Limited Review Financial Results for the quarter and nine-months ended December 31, 2018.
14. Statement of tax benefits dated February 18, 2019 issued by our Statutory Auditor;
15. Annual Report of our Company for the last five Fiscals;
16. In-principle approval from the BSE by its letter dated February 28, 2019; and
17. Due Diligence Certificate dated March 27, 2019 filed by the Lead Managers with SEBI.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the NCD Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

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DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 1 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 1 Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 1 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Debendranath Sarangi

Chairperson, Non-Executive and Independent Director
(acting through his power of attorney holder being Duruvasan Ramachandra, pursuant to power of attorney dated December 4, 2018)

Duruvasan Ramachandra

Managing Director, Executive and Non-Independent Director

Gerrit Lodewyk Van Heerde

Non-Executive and Non-Independent Director
(acting through his power of attorney holder being Duruvasan Ramachandra, pursuant to power of attorney dated November 30, 2018)

Ranvir Dewan

Non-Executive and Non-independent Director
(acting through his power of attorney holder being Duruvasan Ramachandra, pursuant to power of attorney dated December 20, 2018)

Subramaniam Krishnamurthy

Non-Executive and Independent Director

Venkataraman Murali

Non-Executive and Independent Director

Place: Chennai

Date: March 27, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 1 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 1 are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 1 does not contain any misstatements.

Signed by the Board of Directors of the Company

Pranab Prakash Pattanayak

Non-Executive and Independent Director

Place: Bangalore

Date: March 27, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 1 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 1 Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 1 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Vipen Kapur

Non-Executive and Independent Director

Place: Gurgaon

Date: March 27, 2019

DECLARATION

We, the undersigned, hereby declare that all the relevant provisions of the Companies Act, 2013, to the extent applicable, and the regulations and guidelines issued by the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, have been complied with and no statement made in this Tranche 1 Prospectus is contrary to the provisions of the Companies Act, 2013, to the extent applicable, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules and regulations made thereunder, as the case may be.

We further certify that all disclosures in this Tranche 1 Prospectus are in compliance with all applicable legal requirements and are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, false or misleading and that this Tranche 1 Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Maya Sinha

Non-Executive and Independent Director

Shashank Singh

Non-Executive and Non- Independent Director

Place: Mumbai

Date: March 27, 2019

ANNEXURE A: CREDIT RATING AND RATIONALE

CARE Ratings
Professional Risk Opinion

CARE/CRO/RL/2018-19/1460

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long term non-convertible debenture (NCD) issue aggregating to Rs.3000.00 crore of your company. The proposed NCDs would have tenure of up to 7 years.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Proposed Non-Convertible Debenture issue	3,000.00 (Rs. Three thousand crore only)	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**	Assigned

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is December 10, 2018).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

[1]*Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22-6754 3456 • Fax: +91-22-6754 3457
Email: care@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax : +91-44-2849 7812

CIN-L67190MH1993PLC071691

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure-I. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no any comments to offer.

8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

10. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

11. CARE ratings are **not** recommendations to buy, sell or hold any securities.

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If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

V. Balachandran	R. Ravishankar
Balachandran V	**Ravi Shankar R**
Deputy Manager	Manager
balachandran.v@careratings.com	ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure-I
Press Release

Ratings

Facilities	Amount (Rs.cr)	Ratings[1]	Rating Action
Non-Convertible Debenture (Proposed)	3000.00 (Rupees three thousand crore only)	**CARE AA+; Stable [Double A Plus; Outlook: Stable]**	**Assigned**

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is a promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE

A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the

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banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper SCUF's brand image in South India enables to mobilise funds from institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31,2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Key Rating Weaknesses

Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during

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H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset

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quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Analytical Approach- Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings
CARE's Policy on Default Recognition
Financial Ratios-Financial Sector
Rating Methodology for Non-Banking Financial Companies

About the Company

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans (PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	4,434	5,102
PAT	556	665
Interest coverage (times)	1.56	1.61
Total Assets	24,484	28,893
Net NPA (%)	1.79*	3.43$
ROTA (%)	2.46	2.49

A-Audited

Rs

**-NPA recognition policy has been changed from 150dpd to 120dpd as on March 31, 2017.*
$NPA recognition policy has been changed from 120dpd to 90dpd as on March 31, 2018.
Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

Analyst Contact
Name: Mr Sudhakar P
Tel: 044-2850 1003
Email: p.sudhakar@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Debentures-Non Convertible Debentures (proposed)	-	-	-	3000.00	CARE AA+; Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fixed Deposit	LT	10.00	CARE AA+ (FD); Stable	1)CARE AA+ (FD); Stable (27-Aug-18)	1)CARE AA+ (FD); Stable (07-Jul-17)	1)CARE AA+ (FD); Stable (10-Mar-17) 2)CARE AA+ (FD) (12-Jul-16)	1)CARE AA+ (FD) (14-Jul-15)
2.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
3.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-
4.	Debentures-Non Convertible Debentures	LT	3.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
5.	Commercial Paper	ST	50.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+ (12-Jul-16)	1)CARE A1+ (14-Jul-15)
6.	Debentures-Non Convertible Debentures	LT	-	-	-	-	1)Withdrawn (12-Jul-16)	1)CARE AA+ (14-Jul-15)
7.	Debentures-Non Convertible	LT	-	-	-	-	1)Withdrawn (06-Oct-16)	-

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	Debentures						2)CARE AA+ (06-Apr-16)	
8.	Debt-Subordinate Debt	LT	120.20	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
9.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
10.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
11.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
12.	Debt-Subordinate Debt	LT	60.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
13.	Debentures-Non Convertible Debentures	LT	79.06	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
14.	Debentures-Non Convertible Debentures	LT	95.15	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
15.	Commercial Paper	ST	2950.00	CARE A1+	1)CARE A1+ (27-Aug-18) 2)CARE A1+ (27-Jun-18)	1)CARE A1+ (20-Mar-18) 2)CARE A1+ (07-Jul-17)	1)CARE A1+ (10-Mar-17) 2)CARE A1+ (20-Jan-17) 3)CARE A1+ (27-Jul-16) 4)CARE A1+	1)CARE A1+ (14-Jul-15) 2)CARE A1+ (15-Apr-15)

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							(12-Jul-16)	
16.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15)
17.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (08-Jun-15)
18.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (14-Jul-15) 2)CARE AA+ (17-Jun-15)
19.	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
20.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (22-Jul-15)
21.	Debentures-Non Convertible Debentures	LT	35.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (18-Aug-15)
22.	Debentures-Non Convertible Debentures	LT	75.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ (02-Nov-15)
23.	Debentures-Non Convertible Debentures	LT	-	-	1)Withdrawn (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+	-

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							(27-Jul-16)	
24.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (07-Oct-16)	-
25.	Debentures-Non Convertible Debentures	LT	115.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17)	-
26.	Debentures-Non Convertible Debentures	LT	355.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (21-Jun-17)	-	-
27.	Debentures-Non Convertible Debentures	LT	135.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (26-Jun-17)	-	-
28.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (24-Oct-17)	-	-
29.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (04-Dec-17)	-	-
30.	Debentures-Non Convertible Debentures	LT	400.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	1)CARE AA+; Stable (20-Mar-18)	-	-
31.	Debentures-Non Convertible Debentures	LT	650.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18) 2)CARE AA+; Stable (27-Jun-18)	-	-	-
32.	Debentures-Non Convertible Debentures	LT	500.00	CARE AA+; Stable	1)CARE AA+; Stable (27-Aug-18)	-	-	-
33.	Debentures-Non Convertible Debentures	LT	600.00	CARE AA+; Stable	1)CARE AA+; Stable (12-Sep-18)	-	-	-

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34.	Debentures-Non Convertible Debentures	LT	3000.00	CARE AA+; Stable	-	-	-	-

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CARE Ratings
Professional Risk Opinion

Celebrating 25 Years Analytical Excellence

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

February 14, 2019

Confidential

Dear Sir,

Validity of Credit rating for Non-Convertible Debenture issue of Rs.3,000 crore (Unutilised amount of Rs. 3,000 crore as on February 13, 2019)

In continuation with our rating letter no. CARE/CRO/RL/2018-19/1460 dated December 11, 2018 conveying the rating assigned to the Non-Convertible Debenture issue of Rs. 3,000 crore (Unutilised amount of Rs.3,000 crore as on February 13, 2019), it is re-emphasised that the proposed Non-Convertible Debenture issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Non-Convertible Debenture is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time to time, based on circumstances warranting such review.

Thanking you,

Yours faithfully,

R. Ravishankar

[Ravi Shankar R]
Manager

Encl.: As above

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

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CIN-L67190MH1993PLC071691

CARE Ratings
Professional Risk Opinion

Celebrating 25 Years Analytical Excellence

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

March 20, 2019

Confidential

Dear Sir,

Validity of Credit rating for Non-Convertible Debenture issue of Rs.3,000 crore (Unutilised amount of Rs. 3,000 crore as on March 19, 2019)

In continuation with our rating letter no. CARE/CRO/RL/2018-19/1460 dated December 11, 2018 conveying the rating assigned to the Non-Convertible Debenture issue of Rs. 3,000 crore (Unutilised amount of Rs.3,000 crore as on March 19, 2019), it is re-emphasised that the proposed Non-Convertible Debenture issue needs to be raised within a period of 6 months of the said date of letter after which it needs to be revalidated.

Once the Non-Convertible Debenture is placed, the rating is valid for the tenure of such instrument till redemption. Nevertheless, CARE reserves the right to undertake a review of the rating from time to time, based on circumstances warranting such review.

Thanking you,

Yours faithfully,

R. Ravishankar

[Ravi Shankar R]
Manager

Encl.: As above

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CARE Ratings
Professional Risk Opinion

CARE/CRO/RR/2018-19/1144

Mr. R Chandrasekar
Chief Financial Officer,
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore, Chennai- 600004

December 11, 2018

Dear Sir,

Credit rating of proposed Non-Convertible Debenture issue

Please refer to our letter dated December 11, 2018 on the above subject.

2. The rationale for the rating is attached as an **Annexure - I**.

3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by December 12, 2018, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

R. Ravishankar

Ravi Shankar R
Manager

Encl: As above

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

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CIN-L67190MH1993PLC071691

Annexure-I

Rating Rationale

Shriram City Union Finance Limited

Facilities	Amount (Rs.cr)	Ratings[1]	Rating Action
Non-Convertible Debenture (Proposed)	3,000.00 **(Rupees Three thousand crore only)**	**CARE AA+; Stable [Double A Plus; Outlook: Stable]**	**Assigned**

Rating Rationale

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) factors in benefits derived from being part of Shriram group, Highly experienced Management team, Long track record of operations, fairly diversified product profile, comfortable capital adequacy levels, diversified resource profile and comfortable liquidity profile. The ratings also factor in the established market position of SCUF in rural and semi-urban region and consistent business growth of the company over the last few years. The ratings are, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organized, weakening asset quality of the company and decline in the profitability on account of increased credit provisioning costs. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Background

Shriram City Union Finance Limited (SCUF), commenced its operations in 1986, is a deposit accepting non-banking financial company (NBFC-D) registered with Reserve Bank of India (RBI) and part of Shriram Group which is having presence in retail financial services, chit funds, Retail stock broking, financial product distribution, General insurance, life Insurance, Wealth Advisory etc. The company started its operations with truck financing during initial stages however from 2002 onwards, SCUF started focusing towards SME financing and other retail business. The company has 3.95 million active customers base who are serviced through 969 branches across 21 states as on September 30, 2018. SCUF offers services under product categories such as SME loans (SBL), 2 wheeler loans (2W), Auto loans (AL), Loans against Gold (LAG) and Personal Loans

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(PL). As on September 30, 2018, SBL and 2W loan accounted for 58% and 18% of AUM respectively while LAG and PL accounted for 11% and 8% of AUM respectively.

Credit Risk Assessment

Benefits derived from being part of the Shriram group and highly experienced Management team

SCUF is a promoted by Chennai based Shriram group which was started in 1974 by entering into chit fund business. Over the years, the group has diversified into other segments in financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and financial product distribution. As on September 30, 2018, the promoter group companies hold 33.75% stake. Being part of Shriram Group, SCUF has access to vast client base and branch network of the group companies like Shriram Chit funds, Shriram Transport Finance Company Ltd (STFC, rated CARE AA+; Stable/CARE A1+) etc. SCUF's management is also largely from Shriram group and has significant experience in small ticket retail financing in the semi-urban and rural areas. Operations are looked after by an experienced team headed by key management people who are having vast experience in the NBFC industry. Also, the company's board of directors includes representatives from the group having significant experience in retail financing. Mr R.Duruvasan is the Managing Director who has been associated with Shriram group for more than three decades and Mr. R. Chandrasekar is the CFO having experience of more than 30 years.

Long track record and established market position in rural and semi-urban region and consistent business growth over the last few years

Incorporated in 1986, SCUF has established track record in retail financing and has presence in the rural and semi-urban market which consists of relatively under banked segment. With total AUM of Rs. 29,748 crore as on September 30, 2018, the company has achieved considerable market position in each product they are offering.

The company has witnessed AUM growth with CAGR of around 18% for the last three years ending March 2018. In FY18, the total AUM grew by 20% YoY aided by 54% growth in Personal Loans, 24% growth in 2W and 22% growth in SME loans. The ability of the company to maintain sustainable growth rate in the increased competitive environment remains key for its growth prospects.

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Regionally concentrated business

Though SCUF's branch network is spread across 21 states, the business is concentrated towards Southern and Western regions. With South occupying 61% of the overall AUM followed by West with 31%, North occupied remaining 8% of the overall AUM as on September 30, 2018. Top 4 states (Tamil Nadu, Andhra Pradesh, Maharashtra and Karnataka) occupied 79% of the total AUM as on March 31, 2018 as against 82% as on March 31, 2017.

Fairly diversified product profile and presence in the unorganized MSME and self-employed segment which is relatively riskier

SCUF has fairly diversified product portfolio in the retail finance segment with strong focus on SME loans constituting around 58% of the total AUM as on September 30, 2018 (56% as on March 31, 2018) increased from 55% as on March 31, 2017. The other products include 2 wheeler loans constituting 18% as on September 30, 2018, Loan against gold constituting 11%, PL with 8% and Auto Loan with 5%.

SCUF is primarily lending towards the business finance needs of the unorganized MSME segment and self-employed segment in the rural and semi-urban areas which is characterized by marginal credit profile of the borrowers and are not serviced by the banking sector. Since this segment is highly susceptible to the impact of economic downturn, maintaining asset quality is a key monitorable.

Weakening asset quality

With migration on NPA recognition norms from 120 dpd to 90 dpd by end of March 31, 2018 gross NPA increased from 6.73% as on March 31, 2017 to 9.01% as on March 31, 2018. However, during FY18, the company witnessed further moderation in asset quality with 90+dpd increasing from 8.64% as on March 31, 2017 to 9.01% as on March 31, 2018. GNPA as on September 30, 2018 stood at 8.94%. Net NPA as on March 31, 2018 was 3.43% as against 1.79% as on March 31, 2017. The increase in NPA was witnessed across the segment with gross NPA in SME book was 9.68% as on March 31, 2018 (PY: 7.12%), gross NPA in 2W was 10.03% as on March 31, 2018 (PY: 7.37%), gross NPA in PL was 10.62% (PY: 8.78%), gross NPA in Auto loans was 10.85% (PY: 8.99%). The company's ability to improve asset quality on each segment remains key rating sensitivity going forward.

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Liquidity position

SCUF has fairly diversified resource profile with access towards low cost funding from banks, fixed deposits and market instruments like NCDs, Sub debts and Commercial paper SCUF's brand image in South India enables to mobilise funds from institutions as well as from retail customers. As on March 31, 2018, the company's funding profile is comprised of bank loans occupying 60% of overall funding, followed by NCDs and Sub debts aggregating 15%, Commercial paper 11% respectively and fixed deposit programme 14%. With increasing interest rate trends prevailing in Market instruments in the recent past, the company increased its borrowings through bank during Q4FY18 and Q1FY19 and proportion of the same increased from 56% as on March 31, 2017 to 60% as on March 31, 2018. The proportion of bank borrowings as on September 30, 2018 was 55%.

The average cost of borrowings reduced to 8.9% during FY18 from 9.8% during FY17 due to run down of older borrowings which were raised 3-4 years back and major portion of funding profile as on March 31,2018 consists of funds raised with lower interest rate. However during Q2FY19, the cost of borrowings increased slightly to 9.0%. SCUF's ALM profile stood comfortable with no negative cumulative mismatches in any of the time buckets.

Comfortable capitalization

SCUF's capitalisation is comfortable which is supported by equity infusion in the past by both the promoter group and external investors and healthy internal accruals. Total CAR stood at 21.40% as on March 31, 2018 (23.91% as on March 31, 2017) and Tier I CAR stood at 20.60% as on March 31, 2018 (22.25% as on March 31, 2017). The CAR and Tier I CAR as on September 30, 2018 was 20.79% and 20.44% respectively. The current capital is sufficient for the company for the next 3-5 years by maintaining CAR more than 15% while growing their book by around 18-20%.

Decline in the profitability indicators on account of increased credit provisioning costs

SCUF maintained healthy margin with NIM of 12.5% in FY18 which improved from 12.3% during FY17 due to decline in the average cost of borrowings. However, the credit cost (loan loss & provisions/avg. assets) which increased to 4.02% in FY17 continued to remain high at 3.95% in FY18. This is primarily on account of change in NPA norms from 180+dpd to 90+dpd and relatively higher provisioning coverage than its peers. ROTA during FY18 increased slightly to 2.49% during FY18 from 2.46% during FY17 however it is lower than historical ROTA level of 2.7%-3.0% due to increased loan loss provisioning costs in the recent past. The company reported PAT of Rs. 665 crore on a total income of Rs. 5,102 crore during FY18 as against PAT of Rs. 556 crore on a total income of Rs. 4,434 crore during FY17. The company reported PAT of Rs. 479 crore on a total income of Rs.2,916 crore during H1FY19. The company has adopted Ind-AS accounting policy from June 2018 onwards. Expected Credit Loss (ECL) method used for loan loss provisioning is based on historical values of reported NPAs. Past five years GNPA is tabled below.

Period	FY14 (A)	FY15 (A)	FY16 (A)	FY17 (A)	FY18 (A)
NPA Norms	180 dpd	180 dpd	150 dpd	120 dpd	90 dpd
Gross NPA Ratio (%)	2.67	3.12	5.15	6.73	9.00

With use of past five year data for calculation of ECL provisioning, PD arrived for June 2018 quarter ECL stood at 4.46%. In the long term, ability of the company to improve asset quality is critical to maintain PD at present level. In absence of same, ECL provisioning likely to increase. With increasing interest rate scenario and effects of provisioning under IndAS, the ability of the company to improve profitability indicators remain key rating sensitivity.

Industry outlook

Over the last few years, the NBFC sector has gained systemic importance with increase in share of NBFC's total assets when compared to bank total assets. The same has resulted in the Reserve Bank of India (RBI) taking various policy actions resulting in NBFCs attracting higher support and regulatory scrutiny. The RBI has revised the regulatory framework for NBFCs which broadly focuses on strengthening the structural profile of NBFC sector. Overall the revised regulations are positive for the NBFC sector making it structurally stronger, increase transparency and improve their ability to withstand asset quality shocks in the long run.

The last three years have been challenging period for the NBFCs due to change in NPA norms resulting in higher provisioning and rising delinquencies due to demonetization and GST implementation thereby impacting profitability. However, with support from the external equity investors and lenders and the experience of the management to control the liquidity position provides additional comfort to the credit profile of NBFCs in spite of impact on profitability. However with the increased competition prevailing in the financial sector, the ability to remain focused on target customers and improve the business without impacting their asset quality would be key rating sensitivity going forward.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SME loans, key focus area of SCUF continues to witness healthy growth rates. With transition from 120+dpd to 90+dpd for NPA recognition coupled with moderation in asset quality, net NPA witnessed increase in FY18. In the past three years ended March 2018, despite increase in credit costs, increase in spreads supported by reduction in cost of funds, profitability continue to remain stable as reflected in ROTA. Going forward, with increase in interest rates and shift towards ECL based provisioning, the ability of the company to improve asset quality is critical to maintain profitability. The ability of the company to geographically diversify its asset base, improve its asset quality and profitability while growing its scale of operations will be the key rating sensitivities.

Financial Performance

As on / Year ended March 31	2016	2017	2018
	(12m, A)	(12m, A)	(12m, A)
Working Results			
Interest Income	3,650	4,282	4,964
Securitization Income	66	45	25
Other operating income	56	52	47
Other Income	84	55	66
Total Income	**3,856**	**4,434**	**5,102**
Operating expenses	1,049	1,136	1,362
Total Provision / Write offs	616	911	1,054
Depreciation	37	35	33
Interest	1,383	1,534	1,668
PBT	807	854	1,018
PAT	**530**	**556**	**665**
Financial position			
Tangible Net worth	4,460	4,976	5,491
Total Borrowings	14,408	17,042	20,421
Total Loan portfolio	19,024	22,847	27,365
Total Assets (on balance sheet)	20,803	24,484	28,893
Assets Under management (AUM)	19,576	23,132	27,461

Ry

Key Ratios (%)			
Solvency			
Overall Gearing (times)	3.23	3.42	3.72
Capital Adequacy ratio (CAR) (%)	26.14	23.91	21.40
Tier I CAR (%)	23.36	22.25	20.60
Interest Coverage (times)	1.58	1.56	1.61
Profitability (%)			
Net Interest Margin	11.90	12.33	12.52
ROTA	2.73	2.46	2.49
Operating expenses / Avg. total assets	5.04	4.64	4.72
Asset Quality (%)			
Gross NPA Ratio	5.15#	6.73*	9.00$
Net NPA Ratio	1.56#	1.79*	3.43$
Net NPA to Net worth	6.54#	8.24*	17.08$

A-Audited

*# 150 dpd NPA recognition policy; * 120 dpd NPA recognition policy; $ 90 dpd NPA recognition policy;*

Note: Ratios have been computed based on average of annual opening and closing balances

NIM has been calculated as net interest income/ average annual total asset.

Rj

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SHCIUNFI/211520/NCD/121804247
December 06, 2018

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

We refer to your request for a rating for the captioned Non Convertible Debentures.

CRISIL has, after due consideration, assigned its "**CRISIL AA/Stable**" (pronounced as CRISIL double A rating with Stable outlook) rating to the captioned debt instrument. 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.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Details of the Rs.3000 Crore Non-Convertible Debenture Issue of Shriram City Union Finance Limited

	1st tranche		*2nd tranche*		*3rd tranche*	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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SHCIUNFI/211520/NCD/121804247/1
February 19, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated December 06, 2018 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

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SHCIUNFI/211520/NCD/121804247/2
March 19, 2019

Ms. Krithika Doraiswamy
Assistant Vice President
Shriram City Union Finance Limited
123, Angappa Naiackon Street,
Chennai - 600001

Dear Ms. Krithika Doraiswamy,

Re: CRISIL Rating on the Rs. 3000 Crore Non Convertible Debentures of Shriram City Union Finance Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated February 19, 2019 bearing Ref. no.: SHCIUNFI/211520/NCD/121804247/1

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	3000	CRISIL AA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Rating Rationale

December 04, 2018 | Mumbai

Shriram City Union Finance Limited

'CRISIL AA/Stable' assigned to NCD

Rating Action

Rs.3000 Crore Non Convertible Debentures	**CRISIL AA/Stable (Assigned)**
Rs.100 Crore Subordinated Debt	**CRISIL AA/Stable (Reaffirmed)**

1 crore = 10 million
Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its **'CRISIL AA/Stable'** rating on Rs 3000 crore non-convertible debentures of Shriram City Union Finance Limited (Shriram City) and has reaffirmed its rating on subordinated debt at 'CRISIL AA/Stable'.

On July 27, 2018, CRISIL upgraded the long-term rating on debt instruments of Shriram City to 'CRISIL AA/FAA+/Stable' from 'CRISIL AA-/FAA/Positive'. The rating on commercial paper was reaffirmed at 'CRISIL A1+'. Furthermore, the rating on the non-convertible debentures was withdrawn as they were fully redeemed. The rating on the fixed deposit programme was also withdrawn as the notice period (three years from June 18, 2015) had ended. The rating factors in healthy capitalisation and adequate profitability apart from benefits derived from linkages with the Shriram group. These rating strengths are partially offset by exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit risk profiles, and high geographic concentration in revenue.

Analytical Approach

For arriving at its ratings on Shriram City, CRISIL has combined the business and financial risk profiles of Shriram City and its subsidiary, Shriram Housing Finance Ltd (Shriram Housing). This is because of common management and the financial support that the latter receives from Shriram City and the overall Shriram group. The two companies are herein together referred to as Shriram City.

Key Rating Drivers & Detailed Description

Strengths

*** Established Competitive position in SME and two-wheeler segments**

Shriram City has well- established market position in SME loan and two-wheeler financing segments. In the SME loan segment, Shriram City is a leading financier among retail NBFCs. The company has grown significantly in the unique space created from its legacy chit fund ecosystem. The main characteristics of SME loan portfolio are that the borrowers have limited or no documentary income proof and the ticket size is small at less than Rs 10 lakh. Shriram City is also fast expanding in SME space beyond its chit fund ecosystem, thus leading to superior growth rate in the segment. This SME portfolio, at Rs 17,114 crore as on September 30, 2018 (Rs 15472 crore as on March 31, 2018), was one of the highest among retail NBFCs. In the two-wheeler financing segment, the company is among leading players in the sector with a portfolio of Rs.5429 crore as on September 30, 2018 (Rs 5023 crore as on March 31, 2018). It finances about 90,000 vehicles per month and competes with large players including private sector banks. These two segments account for around 70% of the consolidated loan portfolio.

*** Healthy capitalisation**

Shriram City has healthy capitalisation underpinned by sizable absolute net worth (standalone) of Rs 5,835 crore and a tier 1 and an overall capital adequacy ratio of 20.4% and 20.8% respectively as on September 30, 2018. In addition, Shriram City's gearing (consolidated) remains comfortable at 3.9 times as on September 30, 2018 as against 3.8 times previous year and is expected to remain below 5 times over the next few years given the strong accruals to net worth. Further, the net worth to net NPA (calculated per Indian Accounting Standard or Ind-AS) remains adequate at 4.2 times as on September 30, 2018 thereby providing adequate cushion against inherent asset quality challenges arising from borrower and product profiles. CRISIL's expectation of continued healthy capitalisation of Shriram City factors in the likely support from the Shriram group if required.

Shriram City's subsidiary Shriram Housing's capitalisation is also comfortable with a networth (per IndAS) of Rs 455.4 crore and gearing of 3.6 times as on September 30, 2018 (Rs 439 crore as per IGAAP and 3.3 times as on March 31, 2018). Shriram Housing's total capital adequacy ratio (CAR) stood at 30.9% end September 2018 (32.5% end fiscal 2018). Overall, the healthy capitalisation is expected to be maintained over the medium term, driven by substantial accruals and expected support from Shriram group, if required.

*** Healthy earnings profile**

The company's healthy earnings profile is driven by focus on high yielding product and customer segments. Consequently, profitability has remained above the industry average over the past few years. Shriram City's return on average assets stood at 2.4% in fiscal 208 and 3.1% end half year fiscal 2019.. Profitability has moderated over the years due competitive pressures as well due to change in the asset classification norms from 180 days to 90 days and resulting higher provisions. CRISIL expects the moderation to continue, though at a reduced pace, as the share of lower yielding segments such as housing and SME business outside the chit ecosystem, increases in the loan book. Also, cost of borrowing may increase in the near term, in view of the rising interest rate environment. However, given the lower credit profile of majority of borrower CRISIL believes, Shriram City will continue to enjoy the pricing power and hence maintain above average industry profitability over the medium term. Further, since the first quarter of fiscal 2019, Shriram City has adopted the Indian Accounting Standards (Ind-AS). The impact on profitability on account expected credit loss provision is not high given the 60% coverage for its gross NPAs that Shriram City had maintained under GAAP.

*** Benefits derived from linkages with Shriram group**

The company benefits from access to the Shriram group's established branch infrastructure, clientele, management, systems and processes, and investor base. The group has been in the financing business for over three decades, with a strong market position in commercial vehicle finance (through Shriram Transport Finance Company Ltd rated 'CRISIL AA+/FAAA/Stable/CRISIL A1+'), retail finance, and chit fund businesses. Shriram City has expanded its target customer segment beyond its traditional chit ecosystem. Nevertheless, a large portion of its clientele in the small enterprise loan segment comprises the group's existing customers or referrals by its existing customers. This facilitates acquisition of customers with established track records while reducing the cost of origination. Shriram City's management is largely drawn from the Shriram group's other businesses and is experienced in the small-ticket retail-finance segment in the semi-urban and rural areas. The group's brand image with retail investors enables Shriram City to source adequate retail funds to meet its growth requirements. CRISIL believes Shriram City is strategically important to the Shriram group and will continue to benefit from its linkages with the group, given its focus on providing financial services to under-banked segments.

Weakness

*** Exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit profile**

The company's retail financing business remains susceptible to inherent challenges related to asset quality arising from lending to borrowers with modest credit profile and relatively under-banked customers, despite having in place good credit appraisal and monitoring practices. Primarily the focus is on offering small enterprise financing to self-employed customers in semi-urban and rural areas. The non-regular income pattern and lack of financial flexibility of these borrowers cause higher delinquencies. However, owing to good origination, underwriting and monitoring practices coupled with strong understanding of the SME borrowers, the 90+ days past due (dpd) gross non-performing loans (GNPA) remained ranged bound over last few years. End fiscal 2018, the GNPA stood at 9% as against 8.9% last year. The GNPA and NNPA (per Ind-AS) stood at 10.01% and 4.68% as on September 30, 2018 (9.85% and 5.07% as on September 30, 2017). Since the collection and borrower repayment behavior is more attuned to the 150+ dpd cycle, it will take some time for the asset quality to moderate over the medium term as Shriram City educates its borrowers on the changed regulatory norms and tighter repayment deadlines.

*** High geographical concentration in lending portfolio**

The company is focusing on offering small enterprise financing to customers beyond the chit fund clientele and is expanding in hitherto untapped geographies; Although the segment of borrowers has some credit history, this is an untested market for Shriram City. In view of this, CRISIL believes that asset quality performance, mainly in the small enterprise financing segment, remains susceptible and will remain a key monitorable over the medium term. While the company remains concentrated in the three states of South India namely Andhra Pradesh, Telangana and Tamil Nadu, it is working on expanding into newer geographies with the share of Northern and Western parts of the country together constituting 39% of standalone AUM as on September 30, 2018

Outlook: Stable

CRISIL believes that Shriram City will continue to maintain its competitive position in the key business segments of SME and two-wheeler financing, with sustained growth and deeper penetration of existing customer base, geography, and product offering, while expanding the newer customer base and geography cautiously. CRISIL also believes healthy capitalisation and strong earnings profile will be maintained, which will help mitigate inherent asset quality-related challenges. The outlook may be revised to 'Positive' if there is a sustained improvement in asset quality metrics along with increase in market position. Conversely, the outlook may be revised to 'Negative' in case of significant deterioration in asset quality and consequent decline in earnings profile.

Liquidity profile

CRISIL's analysis of Shriram City's asset liability maturity profile as of September 30, 2018 shows cumulative positive mismatches across all the buckets. The company continues to receive funding from banks through term loans and securitization/direct assignment. The aggregate of such sanctions since October 2018 is ~Rs.450 crore. Also the liquidity position is further supported by cash balances of ~Rs 560 crore and fixed deposits of Rs 1400 crore as on November 30, 2018. Additionally, the company had unutilized bank lines of about ~Rs 900 crore as on that date.

About the Company

Incorporated in 1986, Shriram City is a part of Shriram group of companies. It is registered with RBI as a systemically important, deposit taking, non-banking finance company (NBFC-SI-D). It predominantly operates in the retail financing segment with a focus on small enterprise loans (54% of consolidated AUM as on September 30, 2018), two wheeler financing (17%), gold loans (10%) and others (including housing, auto and personal loans) together forming 18% of AUM. Its assets under management (including housing portfolio) stood at Rs 31,688 crore,. The standalone AUM stood at Rs 29748 crore, up 18% Y-o-Y while the housing portfolio under Shriram Housing stood at Rs 1940 crore and grew by 20.04% Y-o-Y. The company has pan India presence with 969 branches as on September 30, 2018, of which 61% are situated in South India.

In fiscal 2018, on a standalone basis, Shriram City reported net profit of Rs 665 crore on total income (net of interest expenses) of Rs 3434 crore as against net profit of Rs 556 crore on total income (net of interest expenses) of Rs 2900 crore last year. For the half year ended September 30, 2018, the company ((on a standalone basis and as per Ind AS) reported net profit of Rs 479 crore on total income (net of interest expenses) of Rs 1957 crore as against net profit of Rs 435 crore on total income (net of interest expenses) of Rs 1704 crore for the corresponding period last year.

Key Financial Indicators -Shriram City (standalone and as per Ind-AS)

As on/for the half year ending Sept 30	Unit	2018	2017
Total AUM	Rs. Cr.	29748	25127
Total income (net of interest expenses)	Rs. Cr.	1957	1704
Profit after tax	Rs. Cr.	479	435
Gross NPA	%	10.01	9.85
Adjusted Gearing	Times	3.9	3.4*
Return on assets (annualized)	%	3.1	3.0*

**Per IGAAP*

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs. Crore)	Rating assigned with Outlook
NA	Debentures*	NA	NA	NA	3000	CRISIL AA/Stable
INE722A08057	Subordinated debt	15-Mar-12	11.85%	15-Mar-19	100	CRISIL AA/Stable

*Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2018 (History)		2017		2016		2015		Start of 2015
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fixed Deposits	FD		--	27-07-18	Withdrawal	02-11-17	FAA/Positive	28-10-16	FAA/Positive	18-06-15	FAA/Stable	FAA/Stable
						31-10-17	FAA/Positive					
						11-07-17	FAA/Positive					
Non Convertible Debentures	LT	0.00 04-12-18	CRISIL AA/Stable	27-07-18	Withdrawal	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					
Short Term Debt	ST		--	27-07-18	Withdrawal	02-11-17	CRISIL A1+	28-10-16	CRISIL A1+	18-06-15	CRISIL A1+	CRISIL A1+
						31-10-17	CRISIL A1+					
						11-07-17	CRISIL A1+					
Subordinated Debt	LT	100.00 04-12-18	CRISIL AA/Stable	27-07-18	CRISIL AA/Stable	02-11-17	CRISIL AA-/Positive	28-10-16	CRISIL AA-/Positive	18-06-15	CRISIL AA-/Stable	CRISIL AA-/Stable
						31-10-17	CRISIL AA-/Positive					
						11-07-17	CRISIL AA-/Positive					

All amounts are in Rs.Cr.

Links to related criteria
[Rating Criteria for Finance Companies]
[CRISILs Criteria for rating short term debt]

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For further information contact:

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Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

About CRISIL Ratings
CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

ANNEXURE B: CONSENT LETER FROM THE DEBENTURE TRUSTEE

CL/PUN/18-19/DEB/68 November 29, 2018

To,
The Board of Directors
Shriram City Union Finance Limited
123, Angappa Naicken Street,
Chennai, Tamil Nadu- 600 001

Dear Sir,

Sub: Proposed public issue of secured redeemable non-convertible debentures (the "NCDs") aggregating up to Rs.3000 crore by Shriram City Union Finance Limited (the "Company" and such issue, the "Issue")

We enclose a copy of our registration certificate and declaration regarding our registration with the Securities Exchange Board of India (the "SEBI") in the required format as Annexure A. We certify that our registration is valid as of the date of this letter and that we have not been prohibited by SEBI from acting as an intermediary in capital market issues.

We give our consent to act as Debenture Trustee in relation to the Issue under regulation 4(4) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name and following details, as required, being inserted as Debenture Trustee in the issue documents:

Name : Catalyst Trusteeship Ltd. (Formerly GDA Trusteeship Limited)
Address: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud Pune MH 411038
Contact person: Compliance Officer
Telephone number: 020-25280081
Fax number: 020-25280275
E-mail ID: dt@ctltrustee.com
Website: www.catalysttrustee.com
SEBI registration number: IND000000034

We authorise you to deliver a copy of this letter of consent to the Registrar of Companies, Chennai, situated at Chennai pursuant to the provisions of the Companies Act, 2013, any relevant stock exchange or any other regulatory authority.

We further confirm that the above information in relation to us is true and correct.

Further, except as disclosed below, as on the date of the draft shelf prospectus, we confirm that we and our associates do not hold any Equity Shares of the Company.

We confirm that we will immediately inform the Company and the Lead Manager(s), appointed as such for the purpose of the Issue, of any changes to the information stated in this letter till the date when the NCDs receive final listing and trading approval from the Stock Exchanges and commence trading on the Stock Exchanges. In the absence of any such communication, the information stated in this letter should be taken as updated information until the date of commencement of listing and trading of the NCDs issued pursuant to the Issue on the Stock Exchanges.

All capitalized terms not defined herein would have the same meaning as attributed to it in the draft shelf prospectus of the Company.

Yours faithfully,

For Catalyst Trusteeship Ltd.

A.H. Bende

Authorised Signatory

Name: Anurag Bende
Designation: Chief Manager
Place: Pune
Encl.: As above

CC:
A.K Capital Services Limited
30- 39, Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point, Mumbai 400 021

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai - 400 098

L&L Partners*
Indiabulls Finance Centre,
Tower 2, Unit A2,
20th Floor, Elphinstone Road,
Lower Parel
Mumbai - 400 013
(formerly, Luthra & Luthra Law Offices)

Annexure-A

डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993

(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)

(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

PERMANENT REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनिमय बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE – 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है

as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट है।

2) Registration Code for the debenture trustee is IND000000034

3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र से तक विधिमान्य है।

3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.

आदेश से
भारतीय प्रतिभूति और विनिमय बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : MUMBAI

तारीख Date : JULY 29, 2016

MJ Sonparote

MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE C

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Investors should note that the below examples are solely for illustrative purposes and is not specific to the Issue.

Series I Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 8, 2021
Tenor from Deemed Date of allotment	24 months
Coupon Rate for all Category of Investors	**9.55%**
Frequency of the interest payment with specified dates	First interest on May 9, 2020 and subsequently on the May 9th every year and the last interest payment will be made at the time of redemption date.
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09, 2019		-1000.00
1st Coupon	Saturday, May 09, 2020	Saturday, May 09, 2020	366	95.50
2nd Coupon	Sunday, May 09, 2021	Saturday, May 08, 2021	365	95.50
Principal/Maturity value	Sunday, May 09, 2021	Saturday, May 08, 2021		1000.00
			731	**1191.00**
			Effective Yield:	9.55%

Series II Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 8, 2021
Tenor from Deemed Date of allotment	24 months
Coupon Rate for all Category of Investors	NA
Frequency of the interest payment with specified dates	NA
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09, 2019		-1000.00
Principal/Maturity value	Sunday, May 09, 2021	Saturday, May 08, 2021	731	**1200.15**
			Effective Yield:	9.55%

Series III Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 9, 2022
Tenor from Deemed Date of allotment	36 months

Coupon Rate for all Category of Investors	9.65%
Frequency of the interest payment with specified dates	First interest on May 9,2020 and subsequently on every year and the last interest payment will be made at the time of redemption of the NCDs
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09, 2019		-1000.00
1st Coupon	Saturday, May 09, 2020	Saturday, May 09, 2020	366	96.50
2nd Coupon	Sunday, May 09, 2021	Monday, May 10, 2021	365	96.50
3rd Coupon	Monday, May 09, 2022	Monday, May 09, 2022	365	96.50
Principal/Maturity value	Monday, May 09, 2022	Monday, May 09, 2022		1000.00
Total			1096	1289.50
			Effective Yield:	9.64%

Series IV Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 9, 2022
Tenor from Deemed Date of allotment	36 months
Coupon Rate for all Category of New Investors	**9.26%**
Frequency of the interest payment with specified dates	First interest on June 10, 2019 and subsequently on the 9th of every month. Last interest payment will be made on date of redemption of NCD
Day count convention	Actual/actual

Cash flows	Due date	Date of payment	No. of days in coupon period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Thursday, May 09 2019	Thursday, May 09 2019	-	-1,000.00
1st Coupon	Sunday, Jun 09 2019	Monday, Jun 10 2019	31	7.86
2nd Coupon	Tuesday, Jul 09 2019	Tuesday, Jul 09 2019	30	7.61
3rd Coupon	Friday, Aug 09 2019	Friday, Aug 09 2019	31	7.86
4th Coupon	Monday, Sep 09 2019	Monday, Sep 09 2019	31	7.86
5th Coupon	Wednesday, Oct 09 2019	Wednesday, Oct 09 2019	30	7.61
6th Coupon	Saturday, Nov 09 2019	Saturday, Nov 09 2019	31	7.86
7th Coupon	Monday, Dec 09 2019	Monday, Dec 09 2019	30	7.61
8th Coupon	Thursday, Jan 09 2020	Thursday, Jan 09 2020	31	7.84
9th Coupon	Sunday, Feb 09 2020	Monday, Feb 10 2020	31	7.84
10th Coupon	Monday, Mar 09 2020	Monday, Mar 09 2020	29	7.34
11th Coupon	Thursday, Apr 09 2020	Thursday, Apr 09 2020	31	7.84
12th Coupon	Saturday, May 09 2020	Saturday, May 09 2020	30	7.59
13th Coupon	Tuesday, Jun 09 2020	Tuesday, Jun 09 2020	31	7.84
14th Coupon	Thursday, Jul 09 2020	Thursday, Jul 09 2020	30	7.59
15th Coupon	Sunday, Aug 09 2020	Monday, Aug 10 2020	31	7.84
16th Coupon	Wednesday, Sep 09 2020	Wednesday, Sep 09 2020	31	7.84
17th Coupon	Friday, Oct 09 2020	Friday, Oct 09 2020	30	7.59
18th Coupon	Monday, Nov 09 2020	Monday, Nov 09 2020	31	7.84
19th Coupon	Wednesday, Dec 09 2020	Wednesday, Dec 09 2020	30	7.59
20th Coupon	Saturday, Jan 09 2021	Saturday, Jan 09 2021	31	7.86
21st Coupon	Tuesday, Feb 09 2021	Tuesday, Feb 09 2021	31	7.86

22nd Coupon	Tuesday, Mar 09 2021	Tuesday, Mar 09 2021	28	7.10
23rd Coupon	Friday, Apr 09 2021	Friday, Apr 09 2021	31	7.86
24th Coupon	Sunday, May 09 2021	Monday, May 10 2021	30	7.61
25th Coupon	Wednesday, Jun 09 2021	Wednesday, Jun 09 2021	31	7.86
26th Coupon	Friday, Jul 09 2021	Friday, Jul 09 2021	30	7.61
27th Coupon	Monday, Aug 09 2021	Monday, Aug 09 2021	31	7.86
28th Coupon	Thursday, Sep 09 2021	Thursday, Sep 09 2021	31	7.86
29th Coupon	Saturday, Oct 09 2021	Saturday, Oct 09 2021	30	7.61
30th Coupon	Tuesday, Nov 09 2021	Tuesday, Nov 09 2021	31	7.86
31st Coupon	Thursday, Dec 09 2021	Thursday, Dec 09 2021	30	7.61
32nd Coupon	Sunday, Jan 09 2022	Monday, Jan 10 2022	31	7.86
33rd Coupon	Wednesday, Feb 09 2022	Wednesday, Feb 09 2022	31	7.86
34th Coupon	Wednesday, Mar 09 2022	Wednesday, Mar 09 2022	28	7.10
35th Coupon	Saturday, Apr 09 2022	Saturday, Apr 09 2022	31	7.86
36th Coupon	Monday, May 09 2022	Monday, May 09 2022	30	7.61
Principal / Maturity value	Monday, May 09 2022	Monday, May 09 2022		1,000.00
Total			**1,096**	**1,277.80**
			Effective Yield:	9.65%

Series V Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 9, 2022
Tenor from Deemed Date of allotment	36 months
Coupon Rate for all Category of Investors	NA
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09,2019		-1000.00
Principal/Maturity value	Monday, May 09, 2022	Monday, May 09, 2022	1096	1318.70
			Effective Yield:	9.65%

Series VI Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 9, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of Investors	9.75%
Frequency of the interest payment with specified dates	First interest on May 9, 2020 and subsequently on the May 9th every year and the last interest payment will be made at the time of redemption of the NCDs
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09,2019		-1000.00
1st Coupon	Saturday, May 09, 2020	Saturday, May 09, 2020	366	97.50
2nd Coupon	Sunday, May 09, 2021	Monday, May 10, 2021	365	97.50

3rd Coupon	Monday, May 09, 2022	Monday, May 09, 2022	365	97.50
4th Coupon	Tuesday, May 09, 2023	Tuesday, May 09, 2023	365	97.50
5th Coupon	Thursday, May 09, 2024	Thursday, May 09, 2024	366	97.50
Principal/Maturity value	Thursday, May 09, 2024	Thursday, May 09, 2024		1000.00
Total			1827	1487.50
			Effective Yield:	9.74%

Series VII Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face value (per security)	1000.00
Issue Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption	May 9, 2024
Tenor from Deemed Date of allotment	60 Months
Coupon Rate for all Category of Investors	9.35%
Frequency of the interest payment with specified dates	First interest on June 10, 2019 and subsequently on the 9th of every month. Last interest payment will be made on date of redemption of NCD
Day count convention	Actual/actual

Cash flows	Due date	Date of payment	No. of days in coupon period	Amount (in Rs.) payable per NCD - All category of New Investors
Deemed Date of Allotment	Thursday, May 09 2019	Thursday, May 09 2019	-	1,000.00
1st Coupon	Sunday, Jun 09 2019	Monday, Jun 10 2019	31	7.94
2nd coupon	Tuesday, Jul 09 2019	Tuesday, Jul 09 2019	30	7.68
3rd Coupon	Friday, Aug 09 2019	Friday, Aug 09 2019	31	7.94
4th Coupon	Monday, Sep 09 2019	Monday, Sep 09 2019	31	7.94
5th Coupon	Wednesday, Oct 09 2019	Wednesday, Oct 09 2019	30	7.68
6th Coupon	Saturday, Nov 09 2019	Saturday, Nov 09 2019	31	7.94
7th Coupon	Monday, Dec 09 2019	Monday, Dec 09 2019	30	7.68
8th Coupon	Thursday, Jan 09 2020	Thursday, Jan 09 2020	31	7.92
9th Coupon	Sunday, Feb 09 2020	Monday, Feb 10 2020	31	7.92
10th Coupon	Monday, Mar 09 2020	Monday, Mar 09 2020	29	7.41
11th Coupon	Thursday, Apr 09 2020	Thursday, Apr 09 2020	31	7.92
12th Coupon	Saturday, May 09 2020	Saturday, May 09 2020	30	7.66
13th Coupon	Tuesday, Jun 09 2020	Tuesday, Jun 09 2020	31	7.92
14th Coupon	Thursday, Jul 09 2020	Thursday, Jul 09 2020	30	7.66
15th Coupon	Sunday, Aug 09 2020	Monday, Aug 10 2020	31	7.92
16th Coupon	Wednesday, Sep 09 2020	Wednesday, Sep 09 2020	31	7.92
17th Coupon	Friday, Oct 09 2020	Friday, Oct 09 2020	30	7.66
18th Coupon	Monday, Nov 09 2020	Monday, Nov 09 2020	31	7.92
19th Coupon	Wednesday, Dec 09 2020	Wednesday, Dec 09 2020	30	7.66
20th Coupon	Saturday, Jan 09 2021	Saturday, Jan 09 2021	31	7.94
21st Coupon	Tuesday, Feb 09 2021	Tuesday, Feb 09 2021	31	7.94
22nd Coupon	Tuesday, Mar 09 2021	Tuesday, Mar 09 2021	28	7.17
23rd Coupon	Friday, Apr 09 2021	Friday, Apr 09 2021	31	7.94
24th Coupon	Sunday, May 09 2021	Monday, May 10 2021	30	7.68
25th Coupon	Wednesday, Jun 09 2021	Wednesday, Jun 09 2021	31	7.94
26th Coupon	Friday, Jul 09 2021	Friday, Jul 09 2021	30	7.68
27th Coupon	Monday, Aug 09 2021	Monday, Aug 09 2021	31	7.94
28th Coupon	Thursday, Sep 09 2021	Thursday, Sep 09 2021	31	7.94
29th Coupon	Saturday, Oct 09 2021	Saturday, Oct 09 2021	30	7.68
30th Coupon	Tuesday, Nov 09 2021	Tuesday, Nov 09 2021	31	7.94
31st Coupon	Thursday, Dec 09 2021	Thursday, Dec 09 2021	30	7.68
32nd Coupon	Sunday, Jan 09 2022	Monday, Jan 10 2022	31	7.94
33rd Coupon	Wednesday, Feb 09	Wednesday, Feb 09	31	7.94

	2022	2022		
34th Coupon	Wednesday, Mar 09 2022	Wednesday, Mar 09 2022	28	7.17
35th Coupon	Saturday, Apr 09 2022	Saturday, Apr 09 2022	31	7.94
36th Coupon	Monday, May 09 2022	Monday, May 09 2022	30	7.68
37th Coupon	Thursday, Jun 09 2022	Thursday, Jun 09 2022	31	7.94
38th Coupon	Saturday, Jul 09 2022	Saturday, Jul 09 2022	30	7.68
39th Coupon	Tuesday, Aug 09 2022	Tuesday, Aug 09 2022	31	7.94
40th Coupon	Friday, Sep 09 2022	Friday, Sep 09 2022	31	7.94
41st Coupon	Sunday, Oct 09 2022	Monday, Oct 10 2022	30	7.68
42nd Coupon	Wednesday, Nov 09 2022	Wednesday, Nov 09 2022	31	7.94
43rd Coupon	Friday, Dec 09 2022	Friday, Dec 09 2022	30	7.68
44th Coupon	Monday, Jan 09 2023	Monday, Jan 09 2023	31	7.94
45th Coupon	Thursday, Feb 09 2023	Thursday, Feb 09 2023	31	7.94
46th Coupon	Thursday, Mar 09 2023	Thursday, Mar 09 2023	28	7.17
47th Coupon	Sunday, Apr 09 2023	Monday, Apr 10 2023	31	7.94
48th Coupon	Tuesday, May 09 2023	Tuesday, May 09 2023	30	7.68
49th Coupon	Friday, Jun 09 2023	Friday, Jun 09 2023	31	7.94
50th Coupon	Sunday, Jul 09 2023	Monday, Jul 10 2023	30	7.68
51st Coupon	Wednesday, Aug 09 2023	Wednesday, Aug 09 2023	31	7.94
52nd Coupon	Saturday, Sep 09 2023	Saturday, Sep 09 2023	31	7.94
53rd Coupon	Monday, Oct 09 2023	Monday, Oct 09 2023	30	7.68
54th Coupon	Thursday, Nov 09 2023	Thursday, Nov 09 2023	31	7.94
55th Coupon	Saturday, Dec 09 2023	Saturday, Dec 09 2023	30	7.68
56th Coupon	Tuesday, Jan 09 2024	Tuesday, Jan 09 2024	31	7.92
57th Coupon	Friday, Feb 09 2024	Friday, Feb 09 2024	31	7.92
58th Coupon	Saturday, Mar 09 2024	Saturday, Mar 09 2024	29	7.41
59th Coupon	Tuesday, Apr 09 2024	Tuesday, Apr 09 2024	31	7.92
60th Coupon	Thursday, May 09 2024	Thursday, May 09 2024	30	7.66
Principal / Maturity value	Thursday, May 09 2024	Thursday, May 09 2024		1,000.00
Total			**1,827**	**1,467.65**
			Effective Yield:	9.75%

Series VIII Tranche 1 Issue

Company	Shriram City Union Finance Limited
Face Value (per Security)	1000.00
Issue Open Date	April 5, 2019
Deemed date of Allotment	May 9, 2019
Redemption Date	May 9, 2024
Tenor from Deemed Date of allotment	60 months
Coupon Rate for all Category of Investors	NA
Day count convention	Actual/actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	Amount (in Rs.) payable per NCD - All category of Investors
Deemed Date of Allotment	Thursday, May 09, 2019	Thursday, May 09, 2019		-1000.00
Principal/Maturity value	Thursday, May 09, 2024	Thursday, May 09, 2024	1827	1593.15
			Effective Yield:	9.75%

Note

1. Deemed Date of Allotment is May 9, 2019

2. For the purpose of the above illustrations, it is also assumed that Sundays are Non-Working Days.

3. Interest payable during the year 2020 and 2024 being leap years, has been calculated for 366 days.

4. For illustration purpose, the cash flow workings is on 1 NCD.