

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER****FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF SHRIRAM TRANSPORT FINANCE COMPANY LIMITED (“COMPANY”) ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated July 7, 2020 (“Letter of Offer”) which is available on the websites of the Registrar, our Company, the Global Co-ordinators and Lead Managers, the Joint Lead Managers and the Stock Exchanges. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 10 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES**

Our Company has made available on the Registrar’s website at <https://rights.kfintech.com/shriram>, this Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. You may also download the Letter of Offer from the websites of the Company, the Securities and Exchange Board of India (“SEBI”), the stock exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”), and together with BSE, the “Stock Exchanges”, the Global Co-ordinators and Lead Managers, the Joint Lead Managers and the Registrars, i.e., at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com), [www.icicisecurities.com](http://www.icicisecurities.com), [www.bnpparibas.co.in](http://www.bnpparibas.co.in), [www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm](http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm), [www.credit-suisse.com](http://www.credit-suisse.com), <https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback>, [www.jpmpil.com](http://www.jpmpil.com), [www.axiscapital.co.in](http://www.axiscapital.co.in), [www.sbcaps.com](http://www.sbcaps.com), [www.kfintech.com](http://www.kfintech.com) and [www.integratedindia.in](http://www.integratedindia.in), respectively. The Application Form is available on the respective websites of the Global Co-ordinators and Lead Managers, the Joint Lead Managers, the Registrars and the Stock Exchanges and on R-WAP.

**SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

**Corporate Identification Number:** L65191TN1979PLC007874

**Registered Office:** Mookambika Complex, 3rd Floor, No. 4, Lady Desika Road, Mylapore, Chennai, Tamil Nadu- 600 004; **Tel No:** +91 44 2499 0356

**Corporate Office:** Wockhardt Towers, West Wing, Level-3, C-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051; **Tel No:** +91 22 4095 9595

**Website:** [www.stfc.in](http://www.stfc.in); **Compliance Officer and Contact Person:** Mr. Vivek Madhukar Achwal; **E-mail:** [stfcricomp@stfc.in](mailto:stfcricomp@stfc.in)

**PROMOTER OF OUR COMPANY****SHRIRAM CAPITAL LIMITED****ISSUE DETAILS, LISTING AND PROCEDURE**

**ISSUE OF UP TO 26,178,777 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“RIGHTS EQUITY SHARES”) AGGREGATING UP TO ₹ 14,921,902,890 TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 570 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 560 PER RIGHTS EQUITY SHARE) IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 26 EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS, ON JULY 10, 2020 (“RECORD DATE”) (THE “ISSUE”). FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 399 OF THE LETTER OF OFFER.**

*The full amount of the Issue Price being ₹ 570 per Rights Equity Share (including premium of ₹ 560 per Rights Equity Share) will be payable on application.*

The existing Equity Shares of our Company are listed on BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”, and together with BSE, the “Stock Exchanges”). Our Company has received “in-principle” approvals from BSE and NSE for listing the Rights Equity Shares to be Allotted pursuant to the Issue through their letters dated July 1, 2020 and July 2, 2020, respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is NSE.

**Procedure:** If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “Terms of the Issue” beginning on page 399 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE, NSE, Registrars and the Global Co-ordinators and Lead Managers and the Joint Lead Managers and R-WAP as stated above.

**ELIGIBILITY FOR THE ISSUE**

Our Company is eligible to undertake the Issue in terms of Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018, as amended (“SEBI ICDR Regulations”) and to make reduced disclosures in the Letter of Offer in terms of clause (5) Part B of Schedule VI of the SEBI ICDR Regulations. Further, our Company satisfies the conditions specified in Regulation 99 of the SEBI ICDR Regulations read with SEBI Circular dated April 21, 2020, bearing reference no. SEBI/HO/CFD/CIR/CFD/DIL/ 67/2020 and accordingly, our Company is eligible to undertake the Issue by way of a ‘fast track issue’.

Whether the Company is compulsorily required to allot at least 75% of the net offer to public, to qualified institutional buyers: Not Applicable, the Issue being a rights issue.

**INDICATIVE TIMETABLE\***

<b>Last Date for credit of Rights Entitlements</b>	Wednesday, July 15, 2020	<b>Finalisation of Basis of Allotment (on or about)</b>	Monday, August 10, 2020
<b>Issue Opening Date</b>	Thursday, July 16, 2020	<b>Date of Allotment (on or about)</b>	Tuesday, August 11, 2020
<b>Last Date for On Market Renunciation *</b>	Friday, July 24, 2020	<b>Date of credit (on or about)</b>	Thursday, August 13, 2020
<b>Issue Closing Date<sup>#</sup></b>	Thursday, July 30, 2020	<b>Date of listing (on or about)</b>	Monday, August 17, 2020

\* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

<sup>#</sup> Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

## NOTICE TO INVESTORS

All Eligible Equity Shareholders outside India should refer to the Letter of Offer together with the Supplement. As used in this section, the Letter of Offer refers to the Letter of Offer together with the Supplement.

This Abridged Letter of Offer has been made available to you in electronic form solely to comply with the provisions of the SEBI ICDR Regulations read with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and MCA General Circular No. 21/2020.

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “UNITED STATES” OR “U.S.”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS EQUITY SHARES REFERRED TO IN THIS ABRIDGED LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN COMPLIANCE WITH, REGULATION S UNDER THE US SECURITIES ACT (“REGULATION S”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES IS PERMITTED UNDER LAWS OF SUCH JURISDICTIONS AND (II) (BY THE COMPANY ONLY) IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT) (“U.S. QIBS”) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE OFFERING TO WHICH THIS ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS ABRIDGED LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs INVITED DIRECTLY BY THE COMPANY).

The Letter of Offer, this Abridged Letter of Offer, the Application Form and /or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The Lead Managers will not participate or otherwise be involved with any offers or sales of the Rights Entitlement, Rights Equity Shares or any other security with respect to the Issue within the United States. **All offers and sales in the United States of the Rights Entitlements and the Rights Equity Shares will be made solely by the Company.**

Notwithstanding any other instructions herein, investors outside of India should access/download the Letter of Offer (together with the Supplement) from the websites of our Company, the Registrar, the Global Co-Ordinators and Lead Managers and the Joint Lead Managers as stated above.

## GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and this Issue, including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the Investors is invited to the section “Risk Factors” on page 15 of the Letter of Offer and “Internal Risk factors” on page 5 of this Abridged Letter of Offer.

## GLOBAL CO-ORDINATORS AND LEAD MANAGERS TO THE ISSUE

<p><b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra <b>Telephone no.:</b> +91 22 2288 2460 <b>E-mail:</b> stfc.rights@icicisecurities.com <b>Investor grievance e-mail:</b> customercare@icicisecurities.com <b>Website:</b> www.icicisecurities.com <b>Contact Person:</b> Rishi Tiwari/ Nidhi Wangnoo <b>SEBI Registration No.:</b> INM000011179</p>	<p><b>BNP Paribas</b> BNP Paribas House, 1-North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 <b>Telephone no.:</b> +91 22 3370 4000 <b>E mail:</b> dl.rights.stfc@asia.bnpparibas.com <b>Investor Grievance e-mail:</b> indiainvestors.care@asia.bnpparibas.com <b>Website:</b> www.bnpparibas.co.in <b>Contact Person:</b> Mehul Golwala <b>SEBI Registration No.:</b> INM000011534</p>	<p><b>Citigroup Global Markets India Private Limited</b> 1202, 12th Floor, First International Financial Center, G-Block, C 54 &amp; 55, Bandra Kurla Complex, Bandra (East) , Mumbai 400 098, Maharashtra, India <b>Telephone no.:</b> +91 22 6175 9999 <b>E mail:</b> stfc.rights.issue.2020@citi.com <b>Investor Grievance e-mail:</b> investors.cgmb@citi.com <b>Website:</b> www.online.citibank.co.in/rhtml/ citigroupglobalscreen1.htm <b>Contact Person:</b> Siddharth Sharma <b>SEBI Registration No.:</b> INM000010718</p>
<p><b>Credit Suisse Securities (India) Private Limited</b> 9th Floor, Ceejay House, Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli, Mumbai 400 018 <b>Telephone no.:</b> +91 22 6777 3885 <b>E mail:</b> list.projectsapphire2020@credit-suisse.com <b>Investor Grievance e-mail:</b> list.icellmer-bnkg@credit-suisse.com <b>Website:</b> www.credit-suisse.com <b>Contact Person:</b> Abhishek Joshi <b>SEBI Registration No.:</b> INM000011161</p>	<p><b>HSBC Securities and Capital Markets (India) Private Limited</b> 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 <b>Telephone no.:</b> +91 22 2268 5555 <b>E mail:</b> stfcrights@hsbc.co.in <b>Investor Grievance e-mail:</b> investorgrievance@hsbc.co.in <b>Website:</b> https://www.business.hsbc.co.in/en-gb/in/ generic/ipo-open-offer-and-buyback <b>Contact Person:</b> Mr. Ayush Jain / Ms. Sanjana Maniar <b>SEBI Registration No.:</b> INM000010353</p>	<p><b>J.P. Morgan India Private Limited</b> J.P. Morgan Towers, Off CST Road, Kalina, Santacruz East, Mumbai 400 098 <b>Telephone no.:</b> +91 22 6157 3000 <b>E mail:</b> stfc.rights@jpmorgan.com <b>Investor Grievance e-mail:</b> investorsmb.jpmpil@jpmorgan.com <b>Website:</b> www.jpmpil.com <b>Contact Person:</b> Shagun Gupta <b>SEBI Registration No.:</b> INM000002970</p>

## JOINT LEAD MANAGERS TO THE ISSUE

<p><b>Axis Capital Limited</b> 1st Floor, Axis House, C-2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 <b>Telephone no.:</b> +91 22 4325 2183; <b>E mail:</b> stfc.rights@axiscap.in <b>Investor Grievance e-mail:</b> complaints@axiscap.in <b>Website:</b> www.axiscapital.co.in; <b>Contact Person:</b> Sagar Jatakiya <b>SEBI Registration No.:</b> INM000012029</p>	<p><b>SBI Capital Markets Limited</b> 202, Market Tower ‘E’, Cuffe Parade, Mumbai 400 005 <b>Telephone no.:</b> +91 22 2217 8300; <b>E mail:</b> stfc.rights@sbicaps.com <b>Investor Grievance e-mail:</b> investor.relations@sbicaps.com <b>Website:</b> www.sbicaps.com <b>Contact Person:</b> Aditya Deshpande / Sylvia Mendonca <b>SEBI Registration No.:</b> INM000003531</p>
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**REGISTRARS TO THE ISSUE**

<p><b>Kfin Technologies Private Limited</b> (formerly known as “Karvy Fintech Private Limited”) Plot No 31 and 32, Tower B, Selenium Gachibowli, Hyderabad 500 032 <b>Telephone no.:</b> +91 40 6716 2222; <b>Toll Free Number:</b> 18003454001 <b>E-mail:</b> stfc.rights@kfintech.com <b>Investor grievance e-mail:</b> einward.ris@kfintech.com <b>Website:</b> www.kfintech.com; <b>Contact Person:</b> M Murali Krishna <b>SEBI Registration No.:</b> INR000000221</p>	<p><b>Integrated Registry Management Services Private Limited</b> 2nd Floor, “Kences Towers”, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 <b>Tel:</b> +91 44 2814 0801, +91 44 2814 0802 and +91 44 2814 0803 <b>Fax:</b>+91 44 2814 2479; <b>Email:</b> stferights@integratedindia.in <b>Investor Grievance Email:</b> sureshbabu@integratedindia.in <b>Website:</b> www.integratedindia.in <b>Contact Person:</b> Ms. Anusha N / Mr. K Balasubramanian <b>SEBI Registration No:</b> INR000000544</p>
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**Name of Joint Statutory Auditors**

Haribhakti & Co. LLP, Chartered Accountants and Pijush Gupta & Co., Chartered Accountants

**Self-Certified Syndicate Banks (“SCSBs”)**

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 <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and 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, please refer to the above-mentioned link.

**Banker(s) to the Issue**

<p><b>Axis Bank Limited</b> Jeevan Prakash Building, Sir P M Road, Fort, Mumbai - 400001 <b>Telephone No.:</b> +91 22 40867371/35 <b>Email:</b> fort.operationshead@axisbank.com / fort.branchhead@axisbank.com <b>Website:</b> www.axisbank.com; <b>Contact Person:</b> Amit Retharekar / Ryan Moraes</p>	<p><b>ICICI Bank Limited</b> Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 <b>Telephone No.:</b> +91 22 6681 8911/23/24; <b>Email:</b> kmr.saurabh@icicibank.com <b>Website:</b> www.icicibank.com; <b>Contact Person:</b> Saurabh Kumar</p>
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**BOARD OF DIRECTORS**

Sr. No.	Name	Designation	Experience including current/past position held in other firms
1.	Lakshminarayanan Subramanian	Chairman, Non-Executive and Independent Director	1. Indofil Industries Limited; 2. ELCOM Systems Private Limited; 3. Shriram Life Insurance Company Limited; 4. ELCOM Innovations Private Limited; and 5. Shriram Automall India Limited.
2.	Umesh Govind Revankar	Managing Director and Chief Executive Officer	1. Shriram Automall India Limited; 2. Shriram Capital Limited; 3. Shriram Credit Company Limited; 4. Shriram General Insurance Company Limited; 5. Shriram Life Insurance Company Limited; 6. Shriram Seva Sankalp Foundation; and 7. Finance Industry Development Council.
3.	Puneet Bhatia	Non-Executive, Non-Independent Director	1. Havells India Limited; 2. Jana Capital Limited; 3. Jana Small Finance Bank Limited; 4. TPG Capital India Private Limited; 5. Flare Estate Private Limited; 6. Campus Activewear Private Limited; 7. Manipal Health Enterprises Private Limited; 8. Shriram Capital Limited; 9. R R Kabel Limited; 10. Sai Life Sciences Limited; and 11. Ram Ratna Electricals Limited
4.	Kishori Udeshi	Non-Executive, Independent Director	1. Elantas Beck India Limited; 2. Kalyan Jewellers India Limited; 3. Shriram Automall India Limited; 4. SOTC Travel Limited; 5. ION Exchange (India) Limited; 6. Haldyn Glass Limited.; and 7. Thomas Cook (India) Limited
5.	Sridhar Srinivasan	Non-Executive, Independent Director	1. Jubilant Life Sciences Limited; 2. Strides Pharma Science Limited; 3. DCB Bank Limited; 4. Sewa Grih Rin Limited; 5. IIFL Home Finance Limited; 6. Strategic Research and Information Capital Services Private Limited; 7. Evyavan Capital Advisors Limited; 8. Evyavan Capital Limited 9. GVFL Trustee Company Private Limited; 10. Universal Trustees Private Limited; and 11. Essfore Consultancy Services Private Limited.

BOARD OF DIRECTORS			
6.	Ravi Devaki Venkataraman	Non-Executive, Non-Independent Director	1. Shriram Properties Holdings Private Limited; 2. Shriram Capital Limited; 3. Shriram Credit Company Limited; 4. Envestor Ventures Limited; 5. Shriram Financial Ventures (Chennai) Private Limited; 6. Shrelekha Business Consultancy Private Limited; 7. Shriram Seva Sankalp Foundation; 8. Take Sports Management Private Limited; 9. Eywa Pharma Pte Limited; and 10. DRP Consultants Private Limited
7.	Pradeep Kumar Panja	Non-Executive, Independent Director	1. Omax Autos Limited; 2. TVS Capital Funds Private Limited; 3. Trigyn Technologies Limited; 4. Brigade Enterprises Limited; 5. Penna Cement Industries Limited; 6. Svamaan Financial Services Private Limited; and 7. Brigade Properties Private Limited;
8.	Ignatius Michael Viljoen	Non-Executive, Non-Independent Director	1. Shriram City Union Finance Limited; 2. Sanlam Credit Fund Advisor (Pty) Limited; 3. African Life Holdings Limited; 4. African Life Financial Services Zambia Limited; 5. Aflife Properties Limited; and 6. Letshego Holdings Limited

#### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the Issue towards augmenting capital base.

#### Proceeds of the Issue

The details of the proceeds of the Issue are summarized in the table below:

(in ₹ Millions)

Particulars	Amount
Gross proceeds to be raised from the Issue*	14,921.90 <sup>#</sup>
Less: Estimated Issue related expenses	280.45
Net Proceeds	14,641.45 <sup>#</sup>

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

<sup>#</sup>Rounded off to two decimal places

#### Utilization of Net Proceeds

The details of the proposed utilization of Net Proceeds are summarized in the table below:

(in ₹ Millions)

Sr. No	Particulars	Amount
1.	Augment capital base	14,641.45 <sup>#</sup>
<b>Total*</b>		<b>14,641.45<sup>#</sup></b>

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

<sup>#</sup>Rounded off to two decimal places

#### Proposed Schedule of Implementation and Deployment of Net Proceeds

Our Company proposes to deploy the entire Net Proceeds towards the aforesaid objects during Fiscal 2021 depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds.

The following table provides the schedule of utilisation of the Net Proceeds:

(in ₹ Millions)

Sr. No.	Particulars	Amount to be utilised in Fiscal 2021
1.	Augment capital base	14,641.45 <sup>#</sup>
<b>Total*</b>		<b>14,641.45<sup>#</sup></b>

\*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment

<sup>#</sup>Rounded off to two decimal places

#### Means of Finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond our control. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of the management. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such project proposed to be funded from the Net Proceeds does not arise.

Monitoring Agency: ICICI Bank Limited

Terms of Issuance of Convertible Security, if any: Not Applicable, the Issue being an issue of Equity Shares.

**EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON JUNE 30, 2020**

Category of shareholder	Pre Issue number of equity shares held	% of total voting rights
(A) Promoter & Promoter Group	59,554,984	26.25
(B) Public	167,327,752	73.75
<b>Total</b>	<b>226,882,736</b>	<b>100</b>

**AUDITED FINANCIAL INFORMATION**

A summary of selected financial information of our Company as per the Consolidated Financial Statements are as follows:

(in ₹ Millions, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31,	
	2020	2019
Equity Share capital	2,268.83	2,269.00
Net worth <sup>(1)</sup>	1,81,146.73	1,59,351.30
Revenue from operations	165,623.57	155,291.50
Profit for the year	25,122.68	25,756.80
Basic and Diluted Earnings Per Share (in ₹)	110.73	113.52
Net asset value per Equity Share (in ₹)	799.64	703.57
Other Equity	179,154.30	157,358.5
Return on net worth (in %)	13.87	16.16
Total Borrowings (as per balance sheet)	943,717.46	879,144.00

<sup>(1)</sup> Net worth as defined in Section 2(57) of the Companies Act, 2013 means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

**INTERNAL RISK FACTORS**

The below mentioned risks are the top 5 risk factors as per the Letter of Offer:

1. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.
2. Instability of global and Indian economies and banking and financial sectors could affect the liquidity of our Company, which could have a material adverse effect on our Company's financial condition.
3. Our financial performance is highly sensitive to interest rate volatility and our lending and treasury operations may be impacted by any volatility in such interest rates, which could cause our net interest income and margins to decline and adversely affect our return on assets and profitability.
4. Our business requires raising substantial capital through borrowings and any disruption in funding sources would have a material adverse effect on our liquidity, financial condition and/or cash flows.
5. There are outstanding legal proceedings against our Company which may adversely affect our business, financial condition and results of operations.

For further details, see the section "Risk Factors" on page 15 of the Letter of Offer.

**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

A. Total number of outstanding litigations involving our Company and the amount involved:

A summary of material outstanding legal proceedings involving our Company, as on the date of the Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Nature of cases	No. of outstanding cases	Amount involved (in ₹ Millions)
<b>Proceedings involving our Company</b>		
Criminal Proceedings	4	Not Applicable
Civil Proceedings	3	Not Ascertainable
Regulatory Proceedings	1	Not Ascertainable
Show cause notices and proceedings initiated by SEBI against the Company, Promoter or Promoter Group	3	1.2*
<b>Tax Proceedings involving our Company</b>		
Indirect Tax	38	5136.97*
Direct Tax	13	1345.47*

\*to the extent ascertainable



**B. Brief details of top five material outstanding litigations involving our Company and amount involved:**

Sr. No.	Particulars	Litigation filed By	Current Status	Amount (in ₹ million, unless otherwise specified)*
1.	Our Company filed an appeal before the Supreme Court of India (Special Leave Petition (Civil) 35142 of 2009) against an order dated November 18, 2009 passed by the High Court of Kerala in connection with a writ petition filed challenging the action of Commissioner of Commercial Taxes, Kerala, directing our Company to register under the provisions of the Kerala Money Lenders Act, 1958. The High Court of Kerala, pursuant to the impugned order, had dismissed an appeal in connection with the aforesaid writ petition, thereby <i>inter alia</i> confirming the aforesaid direction of the Commissioner of Commercial Taxes, Kerala. The Supreme Court of India admitted the appeal and, pursuant to an order dated December 16, 2009, stayed the operation of the impugned order. The matter is currently pending.	Company	Pending	Not ascertainable
2.	Our Company filed a writ petition (Writ Petition No. 47108/2011) on December 15, 2011, against the State of Karnataka and others before the High Court of Karnataka <i>inter alia</i> seeking (a) a declaration that the provisions of the Karnataka Money Lenders Act, 1961 and the Karnataka Prohibition of Charging Exorbitant Interest Act, 2004 (collectively, the “Impugned Statutes”) do not apply to NBFCs and the Company, in particular, (b) to strike down the Impugned Statutes, (c) a writ in the nature of certiorari or other suitable writ, order or direction quashing an order issued by the Karnataka State Money Lending Department dated September 29, 2011 and proceedings initiated against our Company pursuant to the Impugned Statutes, (d) interim relief by staying the proceedings initiated against our Company pursuant to the Impugned Statutes and (e) restraining the Karnataka state money lending authorities from initiating action against our Company under the aforesaid statutes. The High Court of Karnataka by its order dated December 16, 2011 stayed the proceedings initiated against our Company pursuant to the Impugned Statutes. The matter is currently pending.	Company	Pending	Not ascertainable
3.	Our Company, on April 8, 2019, received a showcause notice dated March 30, 2019 (the “SCN”) from the Directorate of Enforcement which functions under the aegis of Ministry of Finance, Government of India. The SCN relates to the issue of warrants by SHMPL to a non-resident investor pursuant to a share subscription agreement executed in 2006. It is alleged in the SCN that warrants issued by SHMPL were not permitted instruments which could be issued to non-resident investors in 2006 and accordingly there was a contravention of provisions of the FEMA and the relevant rules made thereunder to the extent of ₹ 24,360.12 lacs. The SCN was issued to our Company in its capacity as a successor in interest of SHMPL to show cause as to why adjudication proceedings should not be initiated against it and certain individuals who were the then directors of SHMPL at the relevant time. During 2006 and 2007, SHMPL, which was classified as an investment holding company under the applicable regulatory regime, issued equity shares and warrants to Newbridge India Investments II Limited (the “Newbridge”). The approval granted by the Foreign Investment Promotion Board, also functioning under the aegis of Ministry of Finance, Government of India (“FIPB”) (the “FIPB Approval”), permitted SHMPL to issue equity shares to the Newbridge and investment by SHMPL in equity shares and warrants to be issued by three non-banking financial companies in which 100% foreign direct investment was permitted under the extant direct foreign investment policy of the government of India, utilising the monies received from the Newbridge. All warrants issued by SHMPL to the Newbridge were converted into equity shares of SHMPL in 2006 and 2007. There was a delay on the part of SHMPL in filing the relevant forms indicating the receipt of monies from the Newbridge and issue of equity shares and warrants against such receipt, and the relevant forms were filed in 2013 (after amalgamation of SHMPL with our Company). Our Company, in the capacity of successor of interest of erstwhile SHMPL had filed a compounding application for the delay and had paid the penalty imposed on us by the RBI. At this time, the RBI had referred to the FIPB Approval (as amended by a subsequent letter from the FIPB dated January 31, 2006) and indicated that since the FIPB Approval only mentioned the issue of equity shares to the Newbridge, a post-facto approval/ clarification be obtained from the FIPB regarding issue of warrants to the Newbridge. Accordingly, our Company had, in a letter dated March 14, 2013 written to the FIPB, in response to which a letter dated March 20, 2013 was received by our Company from the FIPB stating that the policy regarding issue of warrants was not explicit in the year 2006 when the warrants in question were issued by then SHMPL and that since the warrants in question have already been converted into equity shares, there was no requirement of their approval. In the years 2016 and 2017, the Enforcement Directorate raised queries in relation to the aforementioned issue of warrants in the year 2006 by SHMPL, to which our Company has responded and provided all documents requested, including by way of personal appearances and submissions made by our executive director and senior management personnel. Pursuant thereto, the Company received the SCN on April 8, 2019. Our Company has filed its reply to the SCN on June 6, 2019 setting out why the Company believes that the issuance of the SCN was not warranted. The Company received an order dated March 4, 2020 from the Directorate of Enforcement (“ED”) which imposed a penalty of ₹ 50,000,000 on the Company in connection with the matter citing contravention of provisions of Section 6(3)(b) of FEMA, 1999 read with Regulation 4 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000. In this regard, the ED has also levied a penalty of ₹ 5,000,000, each on (i) our Director Mr. Ravi Devaki Venkataramam (the then director of erstwhile SHMPL) and (ii) two persons, the then directors of the erstwhile SHMPL. Our Company has further filed a writ petition dated June 4, 2020 before the High Court of Madras, requesting, <i>inter alia</i> , for a stay of the order dated March 4, 2020. On July 1, 2020, the High Court of Madras has admitted the Company's writ petition challenging the order dated March 04, 2020 of the Directorate of Enforcement (ED) levying penalty of ₹ 50,000,000 on the Company and granted conditional stay order with the direction to the Company to deposit 25% of the penalty amount in the Court and the three persons to deposit 10% of their respective penalty amounts with the court within four weeks. The matter is currently pending.	Company	Pending	Not ascertainable

Sr. No.	Particulars	Litigation filed By	Current Status	Amount (in ₹ million, unless otherwise specified)*
4.	A criminal application (Cri.M.A.No.604/2018) was filed by Mr. Sudhir Satyawam Kamble (the "Complainant"), before the court of Judicial Magistrate First Class, Islampur ("JMFC") against our Company, Shriram General Insurance Corporation Limited and certain present and past Directors of our Company. This application was prompted by the denial of an insurance claim for a sum of ₹ 20 lacs by Shriram General Insurance Corporation Limited ("SGICL") in the Motor Accidents Claim Tribunal in relation to a tempo (vehicle no. MH-10-AQ-2171) purchased by one Mr. Samir Sikandar Mulla, pursuant to a loan availed from the Company. The said tempo was involved in an accident with a motorcycle resulting in the death of one person and injury to one of riders of the motorcycle. Mr. Mulla claimed to have insured his tempo with SGICL. However, the claim made by him in the Motor Accident Claim Tribunal against SGICL was denied on the ground that the insurance policy taken by Mr. Mulla was bogus and SGICL had not issued any policy to him. The criminal application was filed alleging that our Company and SGICL had, inter alia, committed the offences of criminal breach of trust, cheating and forgery, against Mr. Mulla. On October 8, 2018 the JMFC had passed an ex-parte order against our Company directing that the complaint filed by the Complainant be treated as a first information report ("FIR") for investigation by the Islampur police. In response to the order of the JMFC above, on November 19, 2018, our Company and certain directors named in the complaint filed a revision application (Cri.Revi. Application no.32/2018) before the Court of Additional District and Session Judge at Islampur, inter alia, for setting aside and/or correcting the order of the JMFC as being grossly erroneous, where the Company contended that the Complainant is neither a borrower of the Company nor had any dealings with our Company / our directors and had no locus standi to file the complaint in respect of which the order dated October 08, 2018 was passed by the JMFC. It was also contended that the said order was passed without giving the Company and certain directors of the Company a proper and legal opportunity of being heard. The Additional District and Session Judge at Islampur, vide an order dated November 21, 2018, had stayed the order dated October 8, 2018 passed by JMFC. By subsequent order dated February 6, 2019, the Additional District and Session Judge at Islampur has partially allowed the revision application made by our Company and the matter was remanded to the trial court for fresh inquiry at its original stage. On March 27, 2019, the complainant filed an application for impleading the directors of SGICL including Mr. Umesh Revankar, who is also one of our directors, as part of the criminal proceedings. The matter is currently pending.	Mr. Sudhir Satyawam Kamble	Pending	Not ascertainable
5.	Our Company filed an appeal before the Supreme Court of India, Special Leave Petition (Civil) (9711-9713) of 2014 against the common final judgment and order dated October 8, 2013 passed by the High Court of Judicature at Calcutta in Writ Petition No. 24 of 2010, Writ Petition No. 4 of 2011 and Writ Petition No. 6 of 2011 challenging the decision to uphold the imposition of value added tax on NBFCs disposing off vehicles for recovery of loans taken by borrowers by treating said NBFCs as dealers as defined under Section 2 (11) of the West Bengal Value Added Tax 2003. The matter is currently pending.	Company	Pending	Not ascertainable

For further details, please refer to the section titled "Outstanding Litigation and Defaults" beginning on page 386 of the Letter of Offer.

#### WILFUL DEFAULTER

Neither the Company, nor the Promoter, nor the Directors have been or are identified as a Wilful Defaulter.

#### ANY OTHER IMPORTANT INFORMATION AS PER GLOBAL CO-ORDINATORS AND LEAD MANAGERS AND JOINT LEAD MANAGERS /COMPANY

*In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrars (i.e, (i) Kfin Technologies Private Limited at <https://rights.kfintech.com/shriram>; and (ii) Integrated Registry Management Services Private Limited at <https://www.integratedindia.in/shriram.aspx>). Further, helpline numbers provided by the Registrars for guidance on the Application process and resolution of difficulties are 1800 345 4001 /+91 40 6716 2222. For details, see "Terms of the Issue" on page 399 of the Letter of Offer.*

*In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "Procedure for Application through the ASBA Process" and "Procedure for Application through R-WAP facility" beginning on page 411 of the Letter of Offer.*

*Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrars or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. For further details, see "Terms of the Issue" on page 399 of the Letter of Offer.*

*Further, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, and who have not furnished the details of their demat account to the Registrars or our Company at least two Working Days prior to the Issue Closing Date, may also apply in this Issue during the Issue Period by filling the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN, for verification of their Application. For further details, see "Terms of the Issue" on page 399 of the Letter of Offer.*

#### Procedure for Application

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrars nor the Lead Managers shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

To update the respective email addresses/ mobile numbers in the records maintained by the Registrars or our Company, Eligible Equity Shareholders should visit <https://rights.kfintech.com/shriram> and <https://www.integratedindia.in/shriram.aspx>. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

- i. our Company at [www.stfc.in](http://www.stfc.in);
- ii. the Registrars, i.e., (i) Kfin Technologies Private Limited at <https://rights.kfintech.com/shriram>; and (ii) Integrated Registry Management Services Private Limited at <https://www.integratedindia.in/shriram.aspx>;
- iii. the Global Co-ordinators and Lead Managers, i.e., (i) ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com); (ii) BNP Paribas at [www.bnpparibas.co.in](http://www.bnpparibas.co.in); (iii) Citigroup Global Markets India Private Limited at [www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm](http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm); (iv) Credit Suisse Securities (India) Private Limited at [www.credit-suisse.com](http://www.credit-suisse.com); (v) HSBC Securities and Capital Markets (India) Private Limited at <https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback>; and (vi) J.P. Morgan India Private Limited at [www.jpimipl.com](http://www.jpimipl.com);
- iv. the Joint Lead Managers, i.e., (i) Axis Capital Limited at [www.axiscapital.co.in](http://www.axiscapital.co.in); and (ii) SBI Capital Markets Limited at [www.sbicaps.com](http://www.sbicaps.com)
- v. the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com); and
- vi. the R-WAP facility at <https://rights.kfintech.com/shriram>.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrars (i.e., (i) Kfin Technologies Private Limited at <https://rights.kfintech.com/shriram>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.stfc.in](http://www.stfc.in)).

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see “*Terms of the Issue - Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 418 of the Letter of Offer.

**Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrars and the Lead Managers shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same.**

**The Lead Managers, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrars shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.**

#### **Application on Plain Paper under ASBA process:**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

#### **PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP FACILITY.**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Shriram Transport Finance Company Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total amount paid at the rate of ₹ 570 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. An approval obtained from the RBI, as required under our Articles of Association, where a successful Application will result in the aggregate shareholding or total voting rights of the Eligible Equity Shareholder (along with persons acting in concert) in our Company, to be 5% or more of the post-Issue paid-up share capital of our Company. Eligible Equity Shareholders must send a copy of the approval from any regulatory authority, as may be required, or obtained from the RBI to the Registrars at <https://rights.kfintech.com/shriram>; and
17. Additionally, all such Applicants are deemed to have accepted the following:

#### **“Purchaser Representations and Transfer Restrictions**

*Any person who acquires Rights Entitlements and / or Rights Equity Shares, by its acceptance of the Letter of Offer / Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Managers as follows:*

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and / or Equity Shares, and it acknowledges and agrees that none of us or the Lead Managers and their respective affiliates shall have any responsibility in this regard;*



- It certifies that it is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, it is located outside the United States of America (within the meaning of Regulation S), and it has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and / or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and / or Rights Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Rights Entitlements and / or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements and / or Rights Equity Shares or an economic interest therein to any person in the United States or (c) it is a U.S. QIB that has been directly invited by the Company to purchase the Rights Entitlements and / or Rights Equity Shares, and it acknowledges that the Lead Managers are not participating in, and have no relation to, such offers and sales;
- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and / or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the US Securities Act, have not been and will not be registered under the US Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and / or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and / or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the US Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the States of the United States and any other jurisdiction in which such offers or sales are made;
- It is not an affiliate of our Company or a person acting on behalf of an affiliate;
- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any or "directed selling efforts" (as defined in Regulation S) or any "general solicitation or generation advertising (within the meaning of Regulation D under the US Securities Act);
- It will base its investment decision on a copy of the Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and / or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and / or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and / or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and / or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and / or Rights Equity Shares, (ii) will not look to the Company or the Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and / or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and / or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and / or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and / or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.
- It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and / or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and / or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.
- It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and / or Rights Equity Shares made other than in compliance with the above-stated restrictions; and

It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and / or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account."

- In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Managers and the Registrars not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrars at R-WAP. Our Company, the Lead Managers and the Registrars shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

#### **Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 3 Rights Equity Share for every 26 Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

#### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 3 Rights Equity Shares for every 26 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 26 Equity Shares or is not in the multiple of 26 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 30 Equity Shares, such Equity Shareholder will be entitled to 3 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than nine Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or renounce its Rights Entitlements in full.
- v. renounce its Rights Entitlements in full.

For details, see “- Options available to the Eligible Equity Shareholders” on page 411 of the Letter of Offer.

### Credit of Rights Entitlements in the demat accounts

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “**STFC Rights Entitlement Suspense Escrow Demat Account**” and “**STFC Rights Allotment Demat Suspense Account**”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrars on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrars not later than two Working Days prior to the Issue Closing Date, *i.e.* July 28, 2020, by R-WAP to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrars account is active to facilitate the aforementioned transfer.

### Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see “- Procedure for Renunciation of Rights Entitlements” on page 413 of the Letter of Offer.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrars or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements. Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

### Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 428 of the Letter of Offer.

### Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrars and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP facility.

### Allotment of the Rights Equity Shares in Dematerialized Form

Please note that the Rights Equity Shares applied for in this Issue can be Allotted only in dematerialized form and to the same depository account in which our Company's Equity Shares are held by such Investor on the Record Date. For details, see “*Terms of the Issue -Allotment Advice or Refund/ Unblocking of ASBA accounts*” on page 426 of the Letter of Offer.

### Offer Document of last public or rights issue

A copy of the offer document of the immediately preceding public issue of our Company is available on our website to the public for inspection as a material document as specified under sub-regulation (4) of Regulation 72 of SEBI ICDR Regulations.

### Intention and Extent of Participation by the Promoter and Promoter Group in the Issue

Our Promoter and SFVCPL, a member of our Promoter Group, have by way of their joint letter dated June 30, 2020 undertaken to mandatorily subscribe to the full extent of their respective Rights Entitlement in the Issue, except to the extent of renunciation within our Promoter and members of the Promoter Group. Further, in addition to subscription to their respective Rights Entitlement, each of our Promoter and SFVCPL, along with any other members of the Promoter Group, have reserved the right to subscribe to additional Rights Equity Shares, including for any Rights Entitlements renounced in their favour or in favour of any entities controlled by them. The subscription by the Promoter along with members of the Promoter Group and any persons acting in concert, shall not breach minimum public float of 25% of the total paid-up equity capital under 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957.

### DECLARATION BY OUR COMPANY

We hereby certify that no statement made in the Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in the Letter of Offer are true and correct.

Place: Chennai

Date: July 7, 2020

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