



Shriram Transport Finance Company Limited

Public Issue by Shriram Transport Finance Company Limited, (“Company” or “Issuer”) of 50,00,000 Secured Redeemable Non-Convertible Debentures of face value of ₹1,000 each, (“NCDs”), for an amount aggregating upto ₹50,000 lacs (“Base Issue Size”), with an option to retain oversubscription upto the Shelf Limit (i.e. ₹300,000 lacs) i.e. 3,00,00,000 NCDs (“Tranche-I Issue”) and is being offered by way of this Tranche-I Prospectus, which should be read together with Shelf Prospectus. The Shelf Prospectus together with the Tranche- I Prospectus shall constitute the “Prospectus”. The Tranche-I Issue is being made pursuant to the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the “Debt Regulations”).

Issue Opens : July 02,2014	Issue Closes : July 22,2014
Issue Size : ₹500 crores with an option to retain the shelf limit of ₹.3000 crores	Credit Rating : CRISIL – AA/Stable
Lead Managers	JM Financial Institutional Securities, Edelweiss Financial Services , A K Capital Services, ICICI Securities
Registrar to the Issue	Integrated Enterprises India Limited
Listing	Bombay Stock Exchange/National Stock Exchange
Basis of Allotment	First come First serve basis
Minimum Application	₹1000 NCDs (₹10000)
Applicants shall be payable into the Escrow Account drawn in favour of	“Escrow Account STFC NCD VII Public Issue”
Retail Application Size	₹5,00,000

Allocation Ratio

Institutional Category	Non Institutional Category	HNI Category	Retail Individual Category
10% of the Issue Size	10% of the Issue Size	30% of the Issue Size	50% of the Issue Size

Who Can Apply	
Category I – Institutional Investors	<p>Resident public financial institutions as specified in Section 2 (72) of the Companies Act, 2013 authorized to invest in the NCDs;</p> <p>Statutory corporations including State Industrial Development Corporations, commercial banks, co-operative banks and regional rural banks incorporated in India and authorized to invest in the NCDs;</p> <p>Indian Provident funds, pension funds, superannuation funds and gratuity funds, authorized to invest in the NCDs;</p> <p>Indian alternative investment funds registered with SEBI;</p> <p>Indian insurance companies registered with the IRDA;</p> <p>Indian Mutual Funds registered with SEBI;</p>

	<p>National Investment Fund set up pursuant to the resolution F. No. 2/3/2005-DD-II dated November 23, 2005 by the Government of India; and</p> <p>Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, India</p>
Category II –Non Institutional Investors	<p>Companies, bodies corporate and societies, registered under the applicable laws in India, and authorized to invest in the NCDs;</p> <p>Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment; which are authorized to invest in the NCDs;</p> <p>Trusts settled under the Indian Trusts Act, 1882, public/private charitable/religious trusts settled and/or registered in India under applicable laws, which are authorized to invest in the NCDs;</p> <p>Resident Indian scientific and/or industrial research organizations, authorized to invest in the NCDs;</p> <p>Partnership firms formed under applicable laws in India in the name of the partners, authorized to invest in the NCDs; and</p> <p>Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009), authorized to invest in the NCDs.</p>
Category III –High Net-worth Individuals, ("HNIs")	<p>Resident Indian individuals who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs; and</p> <p>Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value more than ₹ 5 lacs, across all Series of NCDs.</p>
Category IV – Retail Individual Investors	<p>Resident Indian individuals who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs; and</p> <p>Hindu Undivided Families through the Karta who apply for NCDs aggregating to a value not more than ₹ 5 lacs, across all Series of NCDs.</p>

The specific terms and conditions of each series of NCDs offered pursuant to the Tranche-I Issue are as follows

Series	I		II		III		IV	V	VI	VII	VIII
Frequency of Interest Payment	Annual		Annual		Annual		Monthly**	Monthly**	Not Applicable	Not Applicable	Not Applicable
Coupon (% per annum) - (A)	9.85%		10.00%		10.15%		10.71%#	10.94%#	Not Applicable	Not Applicable	Not Applicable
Additional Incentive on Coupon (% per annum) on Any Record Date - (B)	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals	Nil	Nil	Not Applicable	Not Applicable	Not Applicable
	1.15%	Nil	1.25%	Nil	1.35%	Nil					
Aggregate of Coupon and Additional Incentive on any Record Date (% per annum) = (A) + (B)	NCD Holders who are	NCD Holders who are Non	NCD Holders who are	NCD Holders who are Non	NCD Holders who are	NCD Holders who are Non	10.71%	10.94%	Not Applicable	Not Applicable	Not Applicable

	Individuals	Individuals	Individuals	Individuals	Individuals	Individuals								
	11.00%	9.85%	11.25%	10.00%	11.50%	10.15%								
Effective Yield (% per annum) on any Record Date***	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals	11.25%	11.50%	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals	NCD Holders who are Individuals	NCD Holders who are Non Individuals
	11.00%	9.85%	11.25%	10.00%	11.50%	10.15%			11.00%	9.85%	11.25%	10.00%	11.50%	10.15%
Mode of Payment of Interest and/or Redemption of NCDs	Through Various options available		Through Various options available		Through Various options available		Through Various options available	Through Various options available	Through Various options available		Through Various options available		Through Various options available	
Tenor (Months)	Thirty six months		Sixty months		Eighty four months		Sixty months	Eighty four months	Thirty six months		Sixty months		Eighty four months	
Redemption Date	Thirty six months from the Deemed Date of Allotment.		Sixty months from the Deemed Date of Allotment.		Eighty four months from the Deemed Date of Allotment.		Sixty months from the Deemed Date of Allotment.	Eighty four months from the Deemed Date of Allotment.	Thirty six months from the Deemed Date of Allotment.		Sixty months from the Deemed Date of Allotment.		Eighty four months from the Deemed Date of Allotment.	
Redemption Amount (₹ / NCD)	Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be		Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be		Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be		Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be	Repayment of the Face Value plus any interest at the applicable Coupon that may have accrued at the Redemption Date plus Additional Incentive as may be	NCD Holders who are Individuals [§]	NCD Holders who are Non Individuals	NCD Holders who are Individuals [§]	NCD Holders who are Non Individuals	NCD Holders who are Individuals [§]	NCD Holders who are Non Individuals
									1,368.02 per NCD*	1,325.90 per NCD*	1,704.62 per NCD*	1,610.93 per NCD*	2,143.79 per NCD*	1,968.44 per NCD*
	applicable for Individual NCD Holders	applicable for Individual NCD Holders	applicable for Individual NCD Holders	applicable for Individual NCD Holders	applicable for NCD Holders	NCD Holders								

* subject to applicable tax deducted at source, if any.

Monthly option shall be available only to **Individuals applying for Allotment of NCDs in demat form only.

*** Senior Citizens (only First Allottees) shall be entitled to an additional yield at the rate of 0.25% per annum

[§] For series VI, VII and VIII, Senior Citizens (only First Allottee) will be paid an aggregate amount of ₹ 1,377.29, ₹ 1,723.87 and ₹ 2,177.70 per NCD, respectively, on the Redemption Date.

^{##} For series IV and V, Senior citizens (only First Allottee) will get a coupon of 10.94% per annum and 11.17% per annum respectively payable monthly.

Note: All categories of persons who are individuals or natural persons (including Hindu Undivided Families acting through their Karta) including without limitation HNIs and Retail Individual Investors who are eligible under applicable laws to hold the NCDs are collectively referred to as “**Individuals**”.

All categories of entities, associations, organizations, societies, trusts, funds, partnership firms, Limited Liability Partnerships, bodies corporate, statutory and/or regulatory bodies and authorities and other forms of legal entities who are NOT individuals or natural persons and are eligible under applicable laws to hold the NCDs including without limitation Institutional Investors and Non Institutional Investors are collectively referred to as “**Non Individuals**”.

Minimum Subscription

If our Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. ₹ 37,500 lacs, within 30 (thirty) days from the date of issue of this Tranche-I Prospectus or such other period as may be specified by the SEBI, the entire subscription shall be returned within such time and manner as may be prescribed by SEBI in accordance with section 39(3) of the Companies Act, 2013.

Interest on application monies received which are used towards allotment of NCDs:

9% per annum

Company shall pay interest on application money on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as

amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Tranche-I Issue after the date of realization of the cheque(s)/demand draft(s) or 3 (three) days after the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later upto one day prior to the Deemed Date of Allotment/NCD Certificates, at the rate of 9% per annum.

Interest on application monies received which are liable to be refunded

4% per annum

Company shall pay interest on application money which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, after the date of realization of the cheque(s)/demand draft(s) or 3 (three) days after the date of receipt of the application (being the date of upload of each Application on the electronic Application platform of the Stock Exchanges) whichever is later upto one day prior to the Deemed Date of Allotment, at the rate of 4% per annum.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. In case of Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. In case of Applicants who have applied for Allotment of NCDs in physical form, the bank details will be extracted from the Application Form or the copy of the cancelled cheque. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories or the address details provided in the Application Form, in case of Applicants who have applied for Allotment of NCDs in physical form. The Demographic Details or the address details provided in the Application Form would be used for mailing of the physical refund orders, as applicable. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant.

Applications cannot be made by:

- a) Minors without a guardian name*;
- b) Foreign nationals inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- c) Persons resident outside India;
- d) Foreign Institutional Investors;
- e) Foreign Portfolio Investors;
- f) Qualified Foreign Investors;
- g) Overseas Corporate Bodies; and
- h) Persons ineligible to contract under applicable statutory/regulatory requirements.

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

KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

Provide the following documents with the Application Form:

- (a) Self-attested copy of the PAN card
- (b) Proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim. Any one of the following documents shall be considered as a verifiable proof of identification:
 - (c) valid passport issued by the GoI; or
 - (d) voter's identity card issued by the GoI; or
 - (e) valid driving license issued by any transport authority of the Republic of India; or
 - (f) Government ID card; or
 - (g) Defence ID card; or
 - (h) ration card issued by the GoI
- (i) Self-attested copy of proof of residence. Any one of the following documents shall be considered as a verifiable proof of residence:
 - (j) ration card issued by the GoI; or
 - (k) valid driving license issued by any transport authority of the Republic of India; or
 - (l) electricity bill (not older than three months); or
 - (m) landline telephone bill (not older than three months); or
 - (n) valid passport issued by the GoI; or
 - (o) voter's identity card issued by the GoI; or
 - (p) passbook or latest bank statement issued by a bank operating in India; or
 - (q) registered lease and license agreement or agreement for sale or rent agreement or flat
 - (r) maintenance bill.
- (s) AADHAAR letter, issued by Unique Identification Authority of India, GoI.
- (t) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. In the absence of such cancelled cheque, the Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion.