SUPPLEMENTAL PLACEMENT MEMORANDUM FOR ISSUE OF NON-CONVERTIBLE DEBENTURES ON A PRIVATE PLACEMENT BASIS
DATE: JANUARY 12, 2024

Shriram Finance Limited
(Formerly Shriram Transport Finance Company Limited)

A Public Limited Company Incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013
Registration Number: A-07-00459 issued by RBI **Date of Incorporation**: June 30, 1979 **Corporate Identification Number**: L65191TN1979PLC007874
Permanent Account Number: AAACS7018R **Place of Incorporation**: Chennai
Registered Office: Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600032 **Tel No:** +91 44 4852 4666 **Fax:** +91 44 4852 5666
Corporate Office: Wockhardt Towers, Level - 3, West Wing, C-2, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Contact Person: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: 91 22 40959595 **E-mail**: parag@shriramfinance.in
CFO: Mr. Parag Sharma – Joint Managing Director & CFO; **Tel**: 91 22 40959595 **E-mail**: parag@shriramfinance.in
Compliance Officer/Company Secretary: Mr. U. Balasundararao, **Tel. No.**: +022-40959595/76, **Email**: balasundar@shriramfinance.in

Supplemental Placement Memorandum issued in conformity with the Securities Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LAD-NRO/GN/2021/39 dated August 09, 2021, as amended from time to time, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015, as amended form time to time, the Master Circular for Issue and Listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued vide circular number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021, as amended from time to time, Section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

ISSUE OF UPTO 100000 (ONE LAKH) SENIOR SECURED, RATED, LISTED, REDEEMABLE, TAXABLE NON-CONVERTIBLE DEBENTURES, OF THE FACE VALUE OF RS. 1,00,000/- (RUPEES ONE LAKH ONLY) EACH, FOR CASH, AGGREGATING UPTO RS. 1000,00,00,000/- (RUPEES ONE THOUSAND CRORES ONLY) ON PRIVATE PLACEMENT BASIS WITH AN OPTION TO RETAIN OVERSUBSCRIPTION FOR AN ADDITIONAL AMOUNT OF RS. 600,00,00,000/- (RUPEES SIX HUNDRED CRORES ONLY) NON-CONVERTIBLE DEBENTURES ISSUED UNDER THE SHELF PLACEMENT MEMORANDUM DATED SEPTEMBER 25, 2023 ("SHELF PLACEMENT MEMORANDUM") AS AMENDED / SUPPLEMENTED FROM TIME TO TIME.

This supplemental placement memorandum dated January 12, 2024 ("**Supplemental Placement Memorandum**") is issued in terms of and pursuant to the Shelf Placement Memorandum dated September 25, 2023. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This Supplemental Placement Memorandum must be read in conjunction with the Shelf Placement Memorandum and the Private Placement Offer cum Application Letter.

This Supplemental Placement Memorandum contains details of this Tranche 7 Debentures and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly, set out below are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged. In case of any inconsistency between the terms of this Supplemental Placement Memorandum and the Shelf Placement Memorandum and/or the terms of this Supplemental Placement Memorandum and/or any other Transaction Document, the terms as set out in this Supplemental Placement Memorandum shall prevail.

Section I: Definitions

Unless the context otherwise indicates or requires, capitalised terms used in this Supplemental Placement Memorandum shall have the meaning as set out in table below. Capitalised terms used in this Supplemental Placement Memorandum and not defined shall have the meaning as has been assigned to the term in Shelf Placement Memorandum.

Section II

PART A: SUMMARY TERM SHEET

Series/Tranche 7

TRANCHE 7 DEBENTURES

Security Name	Series PPD XVIII 23-24 Option 1
Series/Tranche	Tranche 7 Debentures
Issuer	Shriram Finance Limited
Type of Instrument	Senior secured rated listed redeemable taxable non-convertible debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	Please refer paragraph "Who can apply" of the Shelf Placement Memorandum.
Listing (Name of stock exchange(s) where it will be listed and timeline for listing)	The Tranche 7 Debentures are proposed to be listed on WDM segment of BSE Limited. BSE has given its in-principle approval to list the Tranche 7 Debentures to be issued and allotted in terms of the Shelf Placement Memorandum vide its letter dated September 25, 2023. In case of delay in listing of the Tranche 7 Debentures beyond 3 days from date of closure of issue the Company will pay penal interest of 1% p.a. over the Coupon Rate from the Deemed Date of Allotment and till the listing of the Tranche 7 Debentures, to the investor.
Rating of the Instrument	The Tranche 7 Debentures have been rated 'IND AA+/ Stable' by India Ratings and Research Private Limited and 'CRISIL AA+/ Stable' by CRISIL Ratings.
Shelf Issue Size	Upto 5,00,000 (Five Lakhs): (i) Secured Rated Listed Redeemable Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, for cash, at par; and/or (ii) Secured Rated Listed Redeemable Taxable Principal Protected Market Linked Non-Convertible Debentures of face value of Rs. 1,00,000/- (Rupees One Lakh only) each, for cash, at par, for an amount aggregating upto Rs. 5000,00,00,000/- (Rupees Five Thousand Crores only), on private placement basis, in multiple Series/ Tranches.
Series/Tranche Size	The Tranche 7 Debentures Non-Convertible Debentures being issued in terms of this Supplemental Placement Memorandum read with the Shelf Placement Memorandum are upto 100000 (One Lakh) senior, secured, rated, listed, redeemable, non- convertible debentures, bearing face value of Rs. 1,00,000/- (Rupees One Lakh

	only), each and aggregating upto Rs. 1000,00,00,000/- (Rupees One Thousand Crores only) with green shoe option to retain oversubscription of upto Rs. 600,00,00,000/- (Rupees Six Hundred Crores only).
Minimum Application and in multiples of thereafter	100 (Hundred) Debentures and in multiples of 1 (One) Debenture thereafter
ISIN	INE721A07RY4
Outstanding Issue Size	-
Option to retain oversubscription (Amount)	Upto 60000 (SixtyThousand) senior secured rated listed redeemable non-convertible debentures bearing face value of Rs. 1,00,000/- (Rupees One Lakh only) each aggregating upto Rs. 600,00,00,000/- (Rupees Six Hundred Crores)
Objects of the Issue	100% of the proceeds hereof will be utilized in accordance with statutory and regulatory requirements (including requirements of RBI) and for financing of all the asset classes, onward lending, refinancing of existing debt, meeting working capital requirement and other general purposes of the Company.
Details of the utilization of the Proceeds	Please refer to the disclosure above on ‘Objects of the Issue’.
Coupon Rate	9.15% p.a.
Spread	N.A.
Step Up Coupon Rate	N.A.
Coupon Payment Frequency	Annually and on Redemption Date / maturity date
Coupon payment dates	19/01/2025, 19/01/2026, 19/01/2027, 19/01/2028, and on maturity 19/01/2029
Coupon Type	Fixed
Coupon Reset Dates	N.A.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	N.A.
Day Count Basis	Actual/ Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case leap year, if February 29 fall during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period.
Interest on Application Money	Not Applicable.
Default Interest Rate	Please refer to the ‘Term Sheet’ under Section 5 of the Shelf Placement Memorandum
Tenor (Original Issue)	5 (five) years and 0 months and 0 day from the Deemed Date of Allotment.
Issue Price (Original Issue)	Rs. 1,00,000/- (Rupees One Lakh only), per Debenture
Discount/Premium at which security is issued and the effective yield as a result of such discount.	NA
Redemption Date	January 19, 2029
Redemption Amount	1,00,000/- per Non-Convertible Debenture along with the applicable Coupon and any other amounts payable on the Non-Convertible Debenture in accordance with this Supplemental Placement Memorandum read with the Shelf Placement Memorandum and the Debenture Trust Deed
Redemption Premium / Discount	N.A.
Put Option Date	N.A.

Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A
Face Value	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Series Issue Timing 1. Series Issue Opening Date 2.Series Issue Closing Date 3. Series Pay-in Date 4. Series Deemed Date of Allotment 5. Dare of earliest closing of the issue	 January 18, 2024 January 18, 2024 January 19, 2024 January 19, 2024 N.A.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Allotted Quantity/ Current Issuance	120100
Settlement mode of the Instrument	Payment of interest and principal will be made by way of Cheque/s DD's /Electronic mode. The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted on the Electronic Book Platform) as registered with the Electronic Book Provider in the manner provided in the Electronic Book Mechanism Guidelines. Please refer to Section 6 of the Placement Memorandum for detailed Application Process.
Depository(ies)	NSDL / CDSL
Disclosure of Interest/ redemption dates	The interest for Tranche 7 Debentures will be paid on annual basis on 19/01/2025, 19/01/2026, 19/01/2027, 19/01/2028, and on maturity 19/01/2029
Business Day / Working Days	Any day of the week on which the money market is functioning in Mumbai, excluding: (a) non-working Saturdays, Sundays; (b) any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Maharashtra; (c) any other day on which banks are closed for customer business in Mumbai, India; and (d) any day on which payments cannot be made on account of failure of RBI's system for RTGS/NEFT payment. Explanation: For the purpose of this definition, in respect of - (i) Issue period: Working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business; (ii) the time period between the bid/ issue closing date and the listing of the Debentures on the stock exchanges: working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the Board.
Business Day Convention	Please refer to the 'Term Sheet' under Section 5 of the Shelf Placement Memorandum

Record Date	Please refer to the 'Term Sheet' under Section 5 of the Shelf Placement Memorandum
Description regarding Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security interest to the Debenture Holders over and above the Coupon rate as specified in the Debenture Trust and Disclosed in the Shelf Placement Memorandum and the Supplemental Placement Memorandum) and Ranking of Security.	A first ranking exclusive charge by way of hypothecation over certain identified pool of assets comprising of specific receivables and book debts on such terms and conditions as set out in the Deed of Hypothecation dated October 03, 2023. The Company shall provide security by way of hypothecation over the Hypothecated Assets which security shall at all times be of a value which provides a Security Coverage Ratio of 1.00 times ("**Stipulated Security Cover**"), throughout the tenure of the Debentures, to the satisfaction of the Debenture Trustee. Please note that pursuant to the terms of the Debenture Trust Deed, if the Company makes any issuance of non- convertible debentures within the said Overall Limit and is required to create charge in relation to the same, it shall execute the relevant Supplemental Deed of Hypothecation for providing charge in relation to such new issuance. The Company shall, at all times during the tenor of the Debentures, maintain a minimum of 100% security cover in respect of the outstanding nominal value of the Debentures and coupon as required under the SEBI NCS Regulations. Please note that the security interest created in relation to the Debentures shall be held on pari passu basis with the other lenders/ debenture holders who have subscribed to Debentures issued pursuant to this Shelf Placement Memorandum and have been secured pursuant to the abovementioned Supplemental Deed of Hypothecation. Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc. as applicable or independently verifiable by the debenture trustee. The Trustee shall exercise independent due diligence to ensure that the Security is free from any encumbrances in accordance with the applicable circulars / notifications issued by the SEBI including under the provisions of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended from time to time), and as also set out in detail under the terms of the Transaction Documents.

	The Issuer is not required to obtain any prior consent from its existing lenders for creation of the aforesaid security interest in favour of the Debenture Trustee for the benefit of the Debenture Holders.
Transaction Documents	Shelf Placement Memorandum, this Supplemental Placement Memorandum, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation, any Supplemental Deed of Hypothecation and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Conditions Precedent to Disbursement	Please refer to the Shelf Placement Memorandum
Condition Subsequent to Disbursement	Please refer to the Shelf Placement Memorandum
Events of Default (including manner of voting/ conditions of joining inter creditor agreement)	Please refer to Annexure VI of the Shelf Placement Memorandum
Consequences of Event of Default	Please refer to Annexure VI of the Shelf Placement Memorandum
Provisions related to Cross Default Clause	Please refer to Annexure VI of the Shelf Placement Memorandum
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Please refer to Annexure VI of the Shelf Placement Memorandum
Creation of recovery expense fund	The Company shall create and maintain a recovery expense fund as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee
Conditions for breach of covenants (as specified in the Debenture Trust Deed)	Please refer to Annexure VI of the Shelf Placement Memorandum
Risk Factors pertaining to the Issue	Please refer to **Section 2** of the Shelf Placement Memorandum.
R&T Agent	Integrated Registry Management Services (P) Ltd
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as customary for transaction of a similar nature and size and as executed under the appropriate Transaction Documents The Company has entered into a Debenture Trustee Agreement with Catalyst Trusteeship Limited dated

	September 21, 2023 in relation to the appointment of Catalyst Trusteeship Limited as the debenture trustee. Please refer to Annexure VI of the Shelf Placement Memorandum for the key terms of the Debenture Trustee Agreement and the Debenture Trust Deed for roles and responsibilities of Debenture Trustee set out under the said Transaction Documents.
Illustration of Debenture Cashflows	As per Annexure I to this Supplemental Placement Memorandum.
Governing Law and Jurisdiction	As set out in the Shelf Placement Memorandum.
Further Issuance Compliance	Company reserves the right to make multiple issuances under the same ISIN with reference to the SEBI NCS Master Circular. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with the SEBI NCS Master Circular.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):	Please refer to the 'Term Sheet' under Section 5 of the Shelf Placement Memorandum
Due Diligence by Debenture Trustee	As set out in **Annexure VI** of the Shelf Placement Memorandum
Due diligence certificate	The due diligence certificate provided by the Debenture Trustee has been attached hereto and marked as **Annexure II**.
Bid Opening Date	January 18, 2024
Bid Closing Date	January 18, 2024
Minimum Bid Lot and Multiple of Single Bid:	Rs. 1,00,00,000/- (Rupees One Crore Only) and in multiples of Rs. 1,00,000/- (Rupees One Lakh Only).
Manner of bidding in the Issue	Open bidding
Manner of allotment in the Issue	Multiple Yield (Fixed Rate Issue)
Interest rate Parameter (being Coupon Rate and Coupon Type)	Please refer to disclosures against 'Coupon Rate' and 'Coupon Type' in this Supplemental Placement Memorandum.
Manner of settlement in the Issue	Through Indian Clearing Corporation Limited (ICCL) and BSE
Settlement Cycle	T + 1, where T refers to the date of Bid Opening Date/ Issue Opening Date

Please note that while the Non-Convertible Debentures are secured to the tune of 100% of the principal and interest amount or as per the terms of offer Transaction Documents, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained."

For Shriram Finance Limited,

PARAG SHARMA

Authorised Signatory

Date: January 15, 2024

PART B: Disclosures under Form PAS -4 pursuant to Section 42 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Sub-Part A
PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

PARTICULARS OF THE OFFER

Price at which the security is being offered including the premium, if any, along with justification of the price	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
The Proposed time within which the allotment shall be completed.	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment	Please refer to the Part A of Section II of this Supplemental Placement Memorandum
Proposed time schedule for which the Private placement cum application letter is Valid.	Please refer to the Part A of Section II of this Supplemental Placement Memorandum

Sub-Part B

Applicant Details

1. Name:

2. Father’s Name: Not Applicable

3. Complete address including flat/ house number/ street, locality, pin code:

4. Phone number, if any:

5. Email ID, if any:

6. PAN:

7. Bank account details:

8. Demat Account Details:

9. Tick whichever is applicable:-

    (a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares: __________;

    (b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith: __________.

Signature of the applicant

____

Initial of the officer of the company designated to keep the record

____

ANNEXURE I - ILLUSTRATION OF BOND CASH FLOWS ARISING FROM BONDS BEING ISSUED PURSUANT TO THIS SUPPLEMENTAL MEMORANDUM

Company	Shriram Finance Limited
Face Value (per security)	Rs.1,00,000/- per instrument
Issue Price (Original Issue)	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture
Date of Allotment	January 19, 2024
Date of Redemption	January 19, 2029
Redemption Amount	Rs.1,00,000/- per debenture
Tenor (Original Issue)	5 (five) years and 0 months and 0 day from the Deemed Date of Allotment.
Frequency of the interest payment with specified dates	Annually and on maturity i.e. on 19/01/2025, 19/01/2026, 19/01/2027, 19/01/2028, and on maturity 19/01/2029
Coupon Rate	Fixed at 9.15% p.a.
Day Count Convention	Actual/Actual

*Coupon payment dates falling due on a Saturday, Sunday have been adjusted according to Business Days convention. Other holidays except as mentioned herein have not been considered.

Scenario Analysis –

Sr. No.	Period	Date of Coupon	Date of Payment	Principal Outstanding	Cash flow	Principal Repayment	Interest Payment	Total Payment
1	Year 1	January 19, 2025	January 20, 2025	1,00,000.00	Interest	Nil	9,150.00	9,150.00
2	Year 2	January 19, 2026	January 19, 2026	1,00,000.00	Interest	Nil	9,150.00	9,150.00
3	Year 3	January 19, 2027	January 19, 2027	1,00,000.00	Interest	Nil	9,150.00	9,150.00
4	Year 4	January 19, 2028	January 19, 2028	1,00,000.00	Interest	Nil	9,150.00	9,150.00
5	Year 5	January 19, 2029	January 19, 2029	1,00,000.00	Interest + Principal	1,00,000.00	9,150.00	1,09,150

Please refer to the Business Day Convention as referred above in the Summary Term sheet.

Payment Instructions

This form should be submitted along with cheque(s)/draft(s) favouring "Shriram Finance Limited", crossed "Account Payee Only". The entire amount of Rs. 1,00,000/- (Rupees one Lakh only) per Debenture is payable along with the making of an application. Applicants can alternatively remit the application amount through RTGS on Pay-in Date. The RTGS details of the Issuer are as under:

Electronic Book Platform	BSE	BSE	BSE
Name of Bank	ICICI Bank Limited	Yes Bank Limited	HDFC Bank Limited
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Account number	ICCLEB	ICCLEB	ICCLEB
Name of beneficiary	Indian Clearing Corporation Limited	Indian Clearing Corporation Limited	Indian Clearing Corporation Limited