

**Sansar Trust Nov 2023 II
Information Memorandum
Catalyst Trusteeship Limited**

92,69,00,778 (Ninety Two Crore Sixty Nine Lakh Seven Hundred and Seventy Eight) Series A1 PTCs aggregating to Rs. 92,69,00,778/- (Rupees Ninety Two Crore Sixty Nine Lakh Seven Hundred and Seventy Eight Only) having a rating of AAA(SO) by CRISIL Ratings Limited and 4,87,84,252 (Four Crore Eighty Seven Lakh Eighty Four Thousand Two Hundred and Fifty Two) Equity Tranche PTCs having a rating of BBB+(SO) by CRISIL Ratings Limited aggregating to Rs. 4,87,84,252 (Rupees Four Crore Eighty Seven Lakh Eighty Four Thousand Two Hundred and Fifty Two only) and offering a yield as more particularly set out in Annexure 1 hereto, maturing on the dates identified under Annexure 1 hereto. price identified under Annexure 1 hereto. evidencing beneficial interest in loan receivables originated by

Indicative Issue Schedule	
Issue Opening Date	November 08, 2023
Issue Closing Date	November 08, 2023
Deemed Date of Allotment	November 08, 2023
Issue Size	Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only)

SELLER & SERVICER

Shriram Finance Limited
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RATING AGENCY

CRISIL Ratings Limited
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Mumbai - 400 076

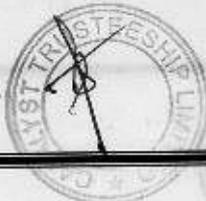
LEGAL COUNSEL

Wadia Ghandy & Co.
Advocates, Solicitors &
Notary
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Mumbai - 400 001

REGISTRAR & TRANSFER AGENT

Integrated Registry Management
Services Private Limited
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Ramakrishna Street, North Usman
Road, T. Nagar, Chennai - 600 017

Each Pass Through Certificate (PTC) represents a proportionate undivided beneficial interest in the underlying pool of receivables (along with security interests in relation thereto) arising from loans extended to the borrowers for various activities extended by Shriram Finance Limited, in the ordinary course of business. It does not represent an interest or obligation of Sansar Trust Nov 2023 II or Catalyst Trusteeship Limited nor are the underlying loan contracts insured or guaranteed by Shriram Finance Limited save to the extent of credit enhancement provided by Shriram Finance Limited as described herein. Further all the concerned are hereby informed that the PTCs do not represent deposit liabilities of the Originator, the Servicer, the Trust or the Trustee and that they are not insured. The Trustee/ Originator/ Servicer/Trust does not guarantee the capital value of PTCs and the performance of PTC issued, or collectability of receivables pool and the investments in the PTCs are subject to prepayment risk, interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.



Disclaimer

All the expressions used in this disclaimer shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms"

This Information Memorandum of Private Placement ("**this Information Memorandum / this Offer Document/ this IM**") is neither a prospectus nor a statement in lieu of a prospectus. This document does not constitute an offer or an invitation for offer by or on behalf of Shriram Finance Limited ("**Seller / Originator / Assignor / SFL**") or Catalyst Trusteeship Limited ("**Trustee**") to subscribe to, or purchase Series A1 Pass Through Certificates ("**Series A1 PTCs**") to be issued by Sansar Trust Nov 2023 II ("**Trust**" / "**Issuer**" / "**Assignee**"). This Information Memorandum seeks to provide relevant details of the proposed securitisation of loan against two wheelers provided by the Originator in the ordinary course of business through vehicle finance extended by the Originator to the borrowers for various business activities ("**Loans**"). Apart from this Information Memorandum, no other document has been prepared in connection with the proposed securitisation of loan receivables and the Information Memorandum is not required to be registered under any applicable law. Accordingly, this Information Memorandum has neither been delivered for registration nor is it intended to be registered. Prospective investors must make their own assessment as to the suitability of investing in these Pass Through Certificates.

Information in this Information Memorandum has been compiled by the Trustee on the basis of information provided *inter alia* by the Seller. To the best of its knowledge and belief the information as contained in this Information Memorandum is in conformity with the facts as available on the date of this Information Memorandum.

Any re-schedulement, restructuring or re-negotiation of the terms of the Underlying Document/s effected after the transfer of assets to the Trust, shall be binding on the Trust and not on the Seller (other than to the limited extent of being the holder of the Equity Tranche PTCs) and shall be done only with the express prior written consent of the Investors holding Majority Interest and the providers of credit enhancement, however, for resolution of any Loan by the Trustee which has become a stressed asset, no consent of providers of credit enhancement, the Servicer or the other service providers would be required to be obtained.

Further, the Seller and the Issuer has not authorised any other person to provide any information or make any representations other than those contained in this document. Further, the information contained in this document may undergo changes with time.

Each copy of this Information Memorandum is serially numbered and the person to whom a copy of the Information Memorandum is sent, is alone entitled to apply for the Series A1 PTCs. Any application by a person to whom this Information Memorandum has not been sent by the Issuer shall be liable to be rejected without assigning any reason.

The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the prior written consent of the Issuer.

The rating is not a recommendation to purchase, hold or sell the Series A1 PTCs in as much as the ratings do not comment on the market price of the Series A1 PTCs or its suitability to a particular Investor. The ratings currently are provisional ratings and final ratings are contingent upon the receipt of final documents conforming to information already received by the Rating Agency. There is no assurance either that the rating will remain at the same level for any given period or that the rating will not be lowered or withdrawn entirely by the Rating Agency.



The Certificates represent an undivided beneficial interest in the underlying loan assets and do not represent an obligation of the Trustee, or the Seller (other than to the extent of the credit enhancement provided, if any), or any affiliate of the Trustee.

This Information Memorandum is not intended to form the sole basis of evaluation for the potential investors to whom it is addressed and who are willing and eligible to subscribe to Series A1 PTCs. This Information Memorandum has been prepared to give general information regarding the Seller and the Transaction, to parties proposing to invest in this issue of Series A1 PTCs and it does not purport to contain all the information that any such party may require. This Information Memorandum and the other Transaction Documents reflect only the future cash flows arising from the Receivables. Cash flows received prior to the Transfer Date and which are not intended to be assigned by the Originator to the Trust, irrespective of whether the same constitute advance or upfront payments, or otherwise, are not reflected in the Information Memorandum and the other Transaction Documents and are not being considered for arriving at the Purchase Consideration payable by the Trust for the Receivables. The Investor Payouts payable to the Investors shall be as per the payout schedule set out in **Annexure 2** hereto and in the applicable Transaction Documents.

For preparing this Information Memorandum, the Trustee has relied upon the information supplied by the Seller. The Trustee neither has verified independently, nor assumes responsibility for the accuracy and completeness of this Information Memorandum, or any other information or documents supplied or approved by the Seller. The Trustee holds no responsibility for any mis-statement in or omission from the Trustee in publicly available information or any other information about the Trustee available in the market. The Seller and the Trustee do not undertake to update this Information Memorandum to reflect subsequent events and thus it should not be relied upon without first confirming its accuracy with the Seller.

Potential investors are required to make their own independent evaluation and judgment before making the purchase and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in the Series A1 PTCs. It is the responsibility of potential investors to obtain all consents, approvals or authorisations required by them to make an offer to subscribe for and purchase the Series A1 PTCs. Potential investors should not rely solely on this Information Memorandum or any other information given by the Seller nor would providing of such information by the Seller be construed as advice or recommendation by the Seller to subscribe to and purchase the Series A1 PTCs. The potential investors acknowledge that the Seller does not owe the Investors any duty of care in respect of this offer/invitation to subscribe for and purchase of the Series A1 PTCs. It is the responsibility of potential investors to also ensure that they will sell these Series A1 PTCs in strict accordance with this Information Memorandum and other applicable laws, so that the sale does not constitute an offer to the public. Potential investors should also consult their own tax advisors on the tax implications of the acquisitions, ownership, sale and redemption of the Series A1 PTCs and income arising thereon.

This Information Memorandum is a medium of sharing information to potential investors with an objective to provide an investment opportunity in the Series A1 PTCs outline the transaction structure. This IM may also contain information about parties to the transaction, which are of confidential nature and not publicly available. Any dissemination of this Information Memorandum to a party other than to whom it has been sent and use of the information contained in this Information Memorandum for purposes other than of a potential investor for this issue is strictly prohibited.

GENERAL RISK

Investment in structured products or structured obligations (SO) and such related securities involve a degree of risk and investors should not invest any funds in such instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. Specific attention of investors is invited to statement of Risk Factors contained in Chapter 9 of this Offer Document. These risks are not, and are not intended to be, a complete list of



all risks and considerations relevant to the Series A1 PTCs or investor's decision to purchase the Series A1 PTCs. Please be advised that the relevant Receivables will be assigned to the Issuer by the Originator on a no-recourse basis (save for the Credit Enhancement provided by the Originator) and any investor shall carefully assess the risks associated with such assignment before proceeding with a decision to make an investment in the Series A1 PTCs.

DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended/ supplemented/ replaced from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time, it is not stipulated that a copy of this Offer Document has to be filed with or submitted to SEBI for its review/approval. It is to be distinctly understood that this Offer Document should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI nor does SEBI guarantee the adequacy and accuracy of this Offer Document. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Series A1 PTCs issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Offer Document.

The PTCs have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Offer Document has been filed with Stock Exchange in terms of the SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008, as amended/ supplemented/ replaced from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time. It is to be distinctly understood that submission of this Offer Document to the Stock Exchange should not in any way be deemed or construed to mean that this Offer Document has been reviewed, cleared or approved by the Stock Exchange, nor does the Stock Exchange in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document. The Stock Exchange does not warrant that the Series A1 PTCs will be listed or will continue to be listed on the Stock Exchange nor does the Stock Exchange take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

DISCLAIMER IN RESPECT OF JURISDICTION

Issue of the Series A1 PTCs have been/ will be made in India to investors as specified under clause "Who Can Apply" in this Offer Document, who have been/shall be specifically approached by the Issuer. This Offer Document is not to be construed or constituted as an offer to sell or an invitation to subscribe to Series A1 PTCs offered hereby to any person to whom it is not specifically addressed. This Offer Document does not constitute an offer to sell or an invitation to subscribe to the Series A1 PTCs herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. The Series A1 PTCs are governed by and shall be construed in accordance with the existing Indian laws as applicable in Mumbai.

DISCLAIMER IN RESPECT OF RATING AGENCY

Rating is an opinion on the credit quality and is not a recommendation to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its rating on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or



for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

ISSUE OF PTCs IN DEMATERIALIZED FORM

The PTCs will be issued in dematerialised form. The Issuer has made arrangements with National Securities Depositories Limited and Central Depository Services (India) Limited for the issue of the PTCs in dematerialised form. The investor will have to hold the PTCs in dematerialised form as per the provisions of the Depositories Act, 1996. The Issuer shall take necessary steps to credit the PTCs allotted to the beneficiary account maintained by the investor with its depository participant. The Issuer will make the allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

ADDITIONAL ASSUMPTIONS

Each subscriber, by subscribing to the PTCs, and any subsequent purchaser, by purchasing the PTCs, shall be deemed to have agreed that and accordingly the Issuer and the Trustee shall be entitled to presume that each of the Investors:

- (a) has reviewed the terms and conditions applicable to the PTCs as contained in the Offer Document and has understood the same, and, on an independent assessment thereof, found the same acceptable for the investment made and has also reviewed the risk disclosures contained herein and has understood the risks, and determined that the investment in the PTCs are a suitable investment and that the Investors can bear the economic risk of that investment;
- (b) has received all the material information provided by the Originator to the Issuer in connection with, and for investment in the PTCs;
- (c) has understood that information contained in this Offer Document is not to be constructed as business or investment advice;
- (d) has legal ability to invest in the PTCs and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Investors or its assets.

Attention of the persons interested in subscribing to the Certificates is specifically drawn to the section titled Special Considerations and Risk Factors.

**For Catalyst Trusteeship Limited,
Trustee for Sansar Trust Nov 2023 II**

**Authorised Signatory
Date: November 08, 2023**



List of Contact Persons

With regard to this Information Memorandum, the following people at the Trustee and the Seller can be contacted:

Originator/ Seller/ Servicer: Shriram Finance Limited				
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Trustee – Catalyst Trusteeship Limited				
Location	Contact Person	Tel. No.	E-mail	Fax No.
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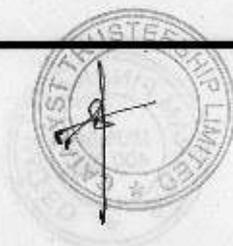


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CHAPTER 1: DEFINITIONS AND GLOSSARY OF TERMS

For the purposes of this Offer Document, except as otherwise expressly provided or as the context or meaning thereof otherwise requires, the following expressions shall have the meanings assigned to them respectively hereinafter:

Allottee	Any PTC Applicant who has received an Allotment Advice
Allotment Advice	An advice issued on behalf of the Trust by the Trustee to an Applicant of PTC intimating such Applicant that its Application for PTC has been accepted.
Applicant or Subscriber	An Applicant who has made an Application for subscribing to the Certificate.
Application	The submission of a duly filled up and signed Application Form by a prospective investor to the Trustee.
Application Form	The form annexed hereto and marked as Annexure 3
Application Money	The monies paid by any potential investor to the Trust for the purposes of subscribing to the Series A1 PTCs
Beneficiary(ies)/ Pass Through Certificate Holder(s)/ PTC Holder(s)/ Certificate Holder(s) Investors	The Investors holding Series A1 Pass Through Certificates and/or Equity Tranche Pass Through Certificates, as the context may require. The holding of a PTC by any Beneficiary shall evidence the undivided beneficial interest of the Beneficiary to the Assets acquired by the Trust.
Business Day	A day which is not a Saturday, Sunday or a Public Holiday for banks at Mumbai, India and "Business Days" shall be construed accordingly.
Cash Collateral	the facility to be provided / cause to be provided by the Cash Collateral Provider to the extent of Rs. 4,88,00,000/- (Rupees Four Crore and Eighty Eight Lakh only) being equal to 5% (Five Percent), which shall be in the form of fixed deposits, which Cash Collateral shall provide a protection to any shortfalls in the monies available to meet the Investor Payouts, arising on account of differences between the billed amounts and the amounts collected towards the same, or on account of any Prepayment. The Cash Collateral is to be provided in the form fixed deposits deposited by the Cash Collateral Provider in the Cash Collateral Account
Cash Collateral Account	shall mean one or more fixed deposit accounts opened by the Cash Collateral Provider with the Cash Collateral Bank in its own name, where the Cash Collateral shall be maintained. A lien shall be marked over the Cash Collateral Account in favour of the Trustee acting for and on behalf of the Trust and for the benefit of the Investors, and the Cash Collateral Provider shall hold the monies lying to the credit of such account in trust for and on behalf of the Trust for the benefit of the Investors. Upon utilisation of the Cash Collateral or any part thereof, the balance amount of the Cash Collateral and top-up amount received, if any, shall be re-deposited in a fixed deposit account. It is clarified the term Cash Collateral Account shall also be deemed to include the fixed deposit accounts opened from time to time for the purpose of re-deposit of the balance amount of the Cash Collateral and top-up received, if any
Cash Collateral Provider	the entity or entities who is / are providing the Cash Collateral under the terms of the Transaction Documents and shall currently mean the Seller
Cash Collateral Bank	State Bank of India acting through its Bandra Kurla Complex branch in Mumbai
Certificate Register	The register of the Investors agreed to be maintained by the Trustee or its agent.
Collection and Payout Account	An account opened and maintained by the Trustee in the name of the Trust with the Designated Bank and operated under the signature of the Trustee into which the



CPA	subscription amounts collected from the Investors, the Receivables and all other amounts collected by the Servicer from the Obligors or realised by the Servicer from the Asset as well as the amounts drawn from the Credit Enhancement, shall be deposited and from which account payments shall be made as per the Waterfall Mechanism on the Payout Dates. It is clarified that all monies lying to the credit of this account from time to time shall be held by the Trustee in trust and for the benefit of the Beneficiaries.
Credit Enhancement	As set out in Clause 3.7
Cut-Off Date	The date as on which the Seller has provided information with regard to the pool of Receivables originated/ owned by the Seller under the Loan Agreements and is October 20, 2023 and the date on which the Receivables are determined based on the selection criteria set out in Annexure IV hereto and in Paragraph 6.1 of this Information Memorandum
Deed of Assignment	The deed to be executed by and between Shriram Finance Limited as the Seller, Shriram Finance Limited as the Servicer and Catalyst Trusteeship Limited in its capacity as the Trustee on behalf of the Trust whereby Seller is duly assigning the Receivables absolutely together with all the other rights and benefits therein including the security interest in the Underlying Assets to the Trust for the benefit of the PTC Holders, in consideration of receipt of the Purchase Consideration.
Deemed Date of Allotment	The date on which the PTCs shall be deemed to have been allotted to the Investors, being the 08th day of November, 2023.
Depository	NSDL Database Management Limited
Designated Bank	ICICI Bank Limited, acting through its branch located at Bandra Kurla Complex, Mumbai
Determination Date	The 1st day of every month.
Discretionary Audit	an audit conducted by the Trustee, or any other party appointed by the Trustee and / or the Investors, to (i) monitor the Servicer's processes relating to collections and data integrity; (ii) monitor the governance, management, systems and internal operations of the Servicer; and (iii) audit, at the instructions of the Trustee, the monitoring reports submitted by the Servicer to the Trustee. The Trustee may authorise a third party entity to conduct Discretionary Audits as and when required, on the Servicer and for the purposes of the same, the Trustee shall intimate the Servicer in writing, at least 7 (Seven) Business Days prior to the day on which such Discretionary Audit is scheduled to be conducted
Due Diligence Auditor or DDA	V.S. Saptharishi, having its office at Chennai or such other firm of chartered accountants as may be mutually agreed to between the Seller and the Trustee
Equity Tranche Investor / Equity Tranche PTC Holder / Series A2 Investor	shall mean the Persons who are eligible to subscribe to or hold and subscribe to or acquire, the Equity Tranche PTCs thus entitling them to undivided beneficial right, title and interest in the Assets (other than to the extent of the Series A1 Investor Payouts payable on the Series A1 PTCs, the right, title and interest in relation to which shall be held by the Series A1 PTC Holder) and shall mean the Seller
Equity Tranche Investor Payouts / Series A2 Investor Payouts	shall mean the amounts payable to the Equity Tranche Investors on the applicable Payout Dates mentioned in Annexure 2 hereto and as may be revised from time to time in accordance with the Transaction Documents, whether on account of Prepayment, Part Prepayment or otherwise. The Equity Tranche Investor Payouts will be made only to the Seller, who is holding the Equity Tranche PTCs towards the Minimum Retention Requirement under the RBI Securitisation Guidelines



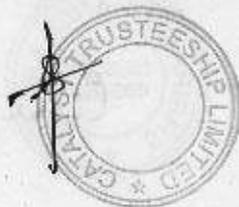
Equity Tranche Principal / Series A2 Principal	shall mean the principal amounts expected to be paid to the Equity Tranche Investors, as identified in Annexure 2 hereto
Equity Tranche PTCs / Equity Tranche Pass Through Certificates / Series A2 Pass Through Certificates / Series A2 PTCs	shall mean a Certificate described as Equity Tranche PTC issued by the Trust and entitling the holder thereof to the Equity Tranche Investor Payouts. The holding of an Equity Tranche PTC by any Investor shall evidence the undivided beneficial interest of the Investor to the Assets acquired by the Trust (apart from the Assets represented by the Series A1 PTCs)
Equity Tranche PTC Subscription Amount / Series A2 PTC Subscription Amount	Means the amount payable by the Seller to the Trust for subscribing to Equity Tranche PTCs and shall be equal to Rs. 4,87,84,252/- (Rupees Four Crore Eighty Seven Lakh Eighty Four Thousand Two Hundred and Fifty Two Only)
Equity Tranche Yield / Series A2 Yield	shall mean the yield / coupon payable to the Equity Tranche PTC Holders and shall be the monies which remain after making payments as per the 'Payment Waterfall' hereinbelow.
Excess Interest Spread (EIS)	the excess spread arising due to the difference between the interest amounts on the Loans and the Series A1 Yield payable to the holders of the Series A1 PTCs
Investor Payout	with respect to each Payout Date shall mean the amounts payable to the Investors on the corresponding Payout Dates as more particularly mentioned in Annexure 2 hereto and as may be revised from time to time in accordance with the Transaction Documents, whether on account of Prepayments, Part Prepayments or otherwise and include Series A1 Investor Payouts and Equity Tranche Investor Payouts. The Investor Payouts will be made only to the Investors whose name appear in the Register of PTCs as on the Determination Date of the month in which the respective Investor Payout is being made
Issue Closing Date	The last date for receiving applications from prospective investors for subscribing to the Certificates
Issue Opening Date	November 08, 2023
Loan Agreement/ Loan Contract	The loan agreement(s) being 2218 (Two Thousand Two Hundred and Eighteen) in number, entered into between the Seller and Obligor(s) setting out the terms and conditions for the Loans availed of by the Obligor(s) against the security of the Underlying Assets
Loans	The facilities granted by the Seller to the Obligors on the terms and conditions set out in the Loan Agreements.
Majority Consent	The decision taken by the Investors holding Majority Interest, which decision will be binding on the Trustee.
Majority Interest	The interest of the Investors collectively being entitled to the beneficial interest in 75% (Seventy Five Percent) of value of all the then outstanding Receivables.
Monthly Report or Report	The report to be provided each month by the Servicer to the Trustee, in terms of the Deed of Assignment.
NA	Not Applicable



Obligor/ Borrower	A person who has availed of a Loan from the Seller against the security of the Underlying Assets under the Loan Agreements and who are liable to make payments to the Seller of monthly instalments or other instalments, comprising of principal amounts of the loan facilities and interest thereon, and such other monies as stipulated under the Loan Agreements, i.e. Receivables.
Payout Date	The dates mentioned in the Annexure 2 hereto;
PTC or Pass Through Certificate	All or any of the certificates, to be issued by the Trust, to prospective investors and which certificates shall be listed on the Stock Exchange as securitised debt instruments under the SEBI PTC Listing Regulations and pursuant to which the prospective investor, become Beneficiaries, which certificates entitle them to receive the scheduled payouts in accordance with the Waterfall Mechanism. The PTCs shall be issued only in dematerialised form. The PTCs shall be the Series A1 PTCs and the Equity Tranche PTCs, as the context may require;
Part Prepayment	the payment of any instalment by an Obligor prior to its Due Date and which is not a Prepayment
Payout Date	Means the date specifically indicated in Annexure 2 hereto, or if such day is not a Business Day, the immediately preceding Business Day, on which date the Investor Payouts are to be paid to the respective Investors
Prepayment Proceeds	the amounts paid by the Obligor to the Servicer or realised by the Servicer on the happening of Prepayment or Part Prepayment
Public Holiday	A public holiday (including Sunday) for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881), at Mumbai
Purchase Consideration	The amount of Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only) payable to the Seller of the Assets
Rating Agency	CRISIL Ratings Limited
RBI Securitisation Guidelines	The guidelines issued by the RBI governing securitisation of standard assets in terms of the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by RBI vide notification number RBI/DOR/2021-22/85 and DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 and any other guidelines issued by the RBI from time to time in relation to amendment/alteration/revision of the aforesaid guidelines;
Receivables	The aggregate of all amounts payable to the Seller by the Obligors from the Transfer Date, pursuant to the Loan Agreements, including scheduled principal repayments, interest, additional interest, overdue charges, premium on Prepayment, Prepayment Proceeds, proceeds received on foreclosure (including the Prepayment Proceeds received prior to the Transfer Date but after the Cut-off Date), gross of goods and service tax (if any) but after deducting insurance payments (if any) from such amounts. Any outstanding receivables due from the Obligor prior to the Transfer Date shall not be a part of the Receivables. The details of the Receivables are more particularly provided in Annexure 6 herein;
Register of PTCs	The register of beneficial owners as maintained by the relevant depository and as per the SEBI PTC Listing Regulations;
Registrar and Transfer Agent	Integrated Registry Management Services Private Limited having its offices at 2nd Floor, Kences Towers, No. 1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017;
Residual Beneficiary	The Seller



SEBI PTC Listing Regulations	The SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended/ supplemented/ replaced from time to time and the Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI bearing reference number SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated August 10, 2021 as amended / supplemented / replaced from time to time;
Seller or Originator	Shriram Finance Limited
Semi-Annual Report	The report to be provided on the Deemed Date of Allotment and thereafter on a semi-annual basis (end-September and March), which shall contain all information as required under Annex 2 of the RBI Securitisation Guidelines (prepared in the format set out in the said Annexure)
Series A1 Final Maturity Date	March 17, 2028
Series A1 Investor or Series A1 PTC Holder	Investors holding Series A1 Pass Through Certificates.
Series A1 Payouts/ Series A1 Investor Payouts	Amounts payable to the Series A1 Investors on the applicable Payout Dates. The Series A1 Investor Payouts are more particularly set out in Annexure 2 hereto.
Series A1 Principal	The principal amounts expected to be paid to the Series A1 Investors, as identified in Annexure 2 hereto
Series A1 PTCs / Series A1 Pass Through Certificates	Pass Through Certificate described as Series A1 PTC issued by the Trust and entitling the holder thereof to the Series A1 Investor Payouts which comprises of the Receivables. The holding of a Series A1 PTCs by any Investor shall evidence the undivided beneficial interest of the Investor to the Assets acquired by the Trust.
Series A1 Yield / Series A1 Coupon	shall mean the yield / coupon payable to the Series A1 PTC Holders and shall be 8.75% (Eight Decimal Point Seven Five Percent) per annum payable monthly
Servicer	means Shriram Finance Limited
Stock Exchange	BSE Limited
Transaction	The securitisation transaction contemplated in this information memorandum;
Transaction Documents	Any or more of the following, as the context may require: (a) Trust Deed. (b) Deed of Assignment; (c) this Information Memorandum; (d) documents executed in relation to the Credit Enhancement; (e) Pass Through Certificates; (f) Power of Attorney executed by the Seller in favour of the Trustee; and includes without limitation, any agreement, instrument, undertaking, indenture, deed, writing or other document (whether financing, security or otherwise) executed or entered into, or to be executed or entered into, by the Seller in relation, or pertaining, to the transactions contemplated by or under any Transaction Document.
Transfer Date	The date from which the Receivables due under the Loan Agreements will belong to the Trust, and shall be October 21, 2023;
Trust Deed	The declaration of trust executed by Catalyst Trusteeship Limited acting in its capacity as both settlor and trustee on October 26, 2023 pursuant to which the Trust



	has been created.
Underlying Assets	the new or used commercial vehicles, passenger vehicles, and equipment, the acquisition of which the Seller has financed by way of the Loans disbursed and against the security of which the Seller has entered into the Loan Agreements with the Obligors;
Underlying Documents	All the documents, instruments and records pertaining to the Receivables and the Underlying Security, including but not limited all Loan Agreements, post dated cheques (as applicable), deeds of hypothecation / pledge (as applicable), guarantees (as applicable), warranties (wherever applicable) copies of adequate insurance documents, registration certificate (wherever applicable), and demand promissory notes;
Underlying Security	the hypothecation created over the Underlying Assets in favour of the Seller and the guarantees, if any, along with all other rights and interest of the Seller over the securities created pursuant to the Loan Agreements and through the Underlying Documents, the rights and benefits to which are being assigned to the Issuer, for the benefit of the Beneficiaries;
Waterfall Mechanism	The method for appropriation of the amounts collected as more particularly set out in Clause 3.12 hereinbelow; and
Yield/Coupon	the Series A1 Yield / Series A1 Coupon in relation to the Series A1 PTCs and/or the Equity Tranche Yield / Equity Tranche Coupon in relation to the Equity Tranche PTCs, as the context may require



CHAPTER 2: EXECUTIVE SUMMARY

This Information Memorandum seeks to provide relevant details of securitisation of certain loan assets together with all other present and future rights and benefits arising there from. The Assets (as defined hereinafter) comprise of *inter alia* loan receivables arising from the loan facilities extended by the Originator, in the ordinary course of business through asset finance extended by the Seller to the Obligor for various business activities.

All the expressions used in this document shall unless repugnant to the context or meaning thereof carry the same meanings herein as assigned to them in the paragraph under the heading "Definitions and Glossary of Terms".

2.1 INTRODUCTION TO SECURITISATION

Securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (promissory notes, participation certificates or other debt instruments) to the investors evidencing the beneficial ownership of the investors in the receivables. The financial instruments are rated by an independent credit rating agency. Additional credit support is provided in order that the instrument may receive the desired level of rating. Typically, the servicing of the receivables is continued by the seller. Cash flows as and when they are received are passed on to the investors. Features of securitisation transactions include:

- (a) Absolute and valid sale of assets to an SPV (with defined purposes and activities) in trust for the investors;
- (b) Reliance by the investors on the performance of the assets for repayment - rather than the credit of their originator (the seller) or the issuer (the SPV);
- (c) Consequent to the above, "bankruptcy remoteness" of the SPV from the originator;
- (d) Support for timely payments, *inter-alia*, in the form of suitable credit enhancements;
- (e) Securitised debt paper usually achieves a high investment grade credit rating.

2.2 BRIEF DESCRIPTION OF THE TRANSACTION

- (a) Sansar Trust Nov 2023 II ("Trust") is proposed to be set up as a special purpose trust, settled by Catalyst Trusteeship Limited under a Trust Deed for acquiring the Receivables in the nature of principal amount of the above loan facilities together with interest thereon along with the rights and interest of the Originator in relation thereto over the Underlying Security (collectively the "Assets"), as property of the Trust in trust for and for the benefit of the certain investors, who subscribe to the pass through certificates issued by the Trust.
- (b) The objectives and permitted activities of the SPV are as laid out in the section "The Issuer" of this Information Memorandum.
- (c) The issue proceeds received from the Investors for subscribing to the PTCs, will be used by the Trust to pay to the Seller consideration for the Assets.
- (d) After acquiring the aforesaid Assets, the Issuer will issue Pass Through Certificates (PTCs). The Series A1 PTCs shall be listed in terms of the SEBI PTC Listing Regulations.



- (e) The Series A1 Investor shall be entitled to obtain the Series A1 Yield together with the principal amount of the Series A1 PTCs. The Series A1 PTCs would be issued in dematerialised form and shall be listed on the Stock Exchange as securitised debt instruments under the SEBI PTC Listing Regulations, within 3 (Three) working days from the Deemed Date of Allotment.
- (f) The Originator will provide or cause to be provided certain credit enhancement in relation to the Assets which will be in line with the recommendations set out by the Rating Agency for achieving the rating for the Series A1 PTCs.
- (g) To meet the minimum retention requirement ("MRR") stipulated by the Reserve Bank of India ("RBI"), in relation to the Assets being sold, the Originator is:
- (i) Providing Cash Collateral which amounts to 5% (Five Percent) of the principal portion of the Receivables; and
 - (ii) Investing in the Equity Tranche PTCs to the extent of 5% (Five Percent) of the principal portion of the Receivables.
- (h) Shriram Finance Limited will be appointed as the servicer in relation to the Assets and in that capacity the Servicer shall be entitled to enforce the Receivables for and on behalf of the Trust.
- (i) Claims or rights of the Investors to receive payment of the Receivables shall rank *pari passu* inter-se and there shall be no difference in the rights, title and interest between the Investors, irrespective of the date on which the Application Money shall have been paid by them. The rights of the Seller in relation to the Equity Tranche PTCs shall, however, be subordinated to the rights of the Investors to the Series A1 PTCs, as more particularly set out in the Waterfall Mechanism.
- (j) Each PTCs of a particular series or tranche (i.e. Series A1 PTCs and Equity Tranche PTCs), will evidence the Investor's respective *pro-rata* share and undivided beneficial interest in the Assets on a *pari-passu* basis with other Investors of that series or tranche.
- (k) The Series A1 PTCs have been assigned a provisional rating of AAA(SO) and the Equity Tranche PTCs have been given a provisional rating of BBB+ (SO) by the Rating Agency. The rating rationale of the Rating Agency is annexed to this Information Memorandum and marked as Annexure 4. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received.
- (l) The Seller will have the option to repurchase the Receivables pertaining to the performing contracts any time after the outstanding Receivables decline to 10% or below of the initial pool balance, at a purchase consideration equal to the outstanding principal amount. The exercise of this option would have the same effect as prepayments for the purposes of making Investor Payouts to the Investors under the Deed of Assignment.

2.3 PRINCIPAL TERMS OF THE SECURITISATION TRANSACTION

Nature of Instrument	Securitised Debt Instruments being Pass Through Certificate evidencing beneficial interest in the Receivables and bearing Yield as more particularly set out under Annexure 2 hereto,
Issuer	Sansar Trust Nov 2023 II
Originator / Seller	Shriram Finance Limited
Trustee	Catalyst Trusteeship Limited
Credit Enhancement Provider	Shriram Finance Limited



Designated Bank	ICICI Bank Limited acting through its branch located at Bandra Kurla Complex in Mumbai
Servicer	Shriram Finance Limited
Rating Agency	CRISIL Ratings Limited
Legal Counsel	Wadia Ghandy & Co.
Obligors	Obligors are the borrower(s) who have taken Loans for various business activities.
Receivables	Pool of Receivables pertaining to vehicle loans originated by Shriram Finance Limited, the principal outstanding of which aggregates to Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only) as on the Cut-Off Date. The details of the Receivables are more particularly provided in Annexure 6 herein;
Structure	Par
Aggregate Pool Principal	Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only) as on Cut-Off Date
Aggregate Pool Cashflows	Rs. 121,95,81,844/- (Rupees One Hundred and Twenty One Crore Ninety Five Lakh Eighty One Thousand Eight Hundred and Forty Four Only) as on Cut-Off Date.
Aggregate Excess Interest Spread	Rs. 10,53,48,640.39/- (Rupees Ten Crore Fifty Three Lakh Forty Eight Thousand Six Hundred Forty and Paise Thirty Nine Only) as on Cut-off Date.
Equity Tranche PTC Subscription Amount	Rs. 4,87,84,252/- (Rupees Four Crore Eighty Seven Lakh Eighty Four Thousand Two Hundred and Fifty Two Only)
Series A1 PTC Subscription Amount	Rs. 92,69,00,778/- (Rupees Ninety Two Crore Sixty Nine Lakh Seven Hundred and Seventy Eight Only)
Cut-off Date	October 20, 2023
Transfer Date	October 21, 2023
PTCs	Series A1 PTCs and Equity Tranche PTCs
Purchase Consideration	Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only)
Rating of Series A1 PTCs	AAA(SO) by CRISIL Ratings Limited
Rating of Equity Tranche PTCs	BBB+ (SO) by CRISIL Ratings Limited
Servicer Fees	0.25% (Zero Decimal Point Two Five percent) of the principal and interest Receivables to be collected in every Collection Month
Equity Tranche Yield	Excess Interest Spread which remains after reinstating the Credit Enhancement, the monies which remain after making payment as per 'Payment Waterfall' hereinbelow
Series A1 Yield	8.75% (Eight Decimal Point Seven Five Percent) per annum payable monthly payable on Payout Dates
Face Value of Series A1 PTCs	As set out in the Annexure 1.
Redemption Amount in relation to Series A1 PTCs	Face value plus yield at Series A1 Yield for Series A1 PTCs together with default interest if any. The Redemption Amounts for Series A1 PTCs shall be as set out in Annexure 1 hereto.
Yield Type	Fixed
Default Charges	The charges payable by the Servicer to the Trust if, on the Ascertainment Date the Servicer does not deposit the amounts received by it from the Obligors into the Collection and Payout Account for making the Investor Payouts. Default Charges shall be computed at 2% (Two Percent) (over and above the Yield) per annum on the aforesaid amounts received but not deposited by the Servicer for the period between the relevant Ascertainment Date and the actual date on which such amounts are deposited in the Collection and Payout Account.



Ascertainment Date	The date falling 1 (One) Business Day prior to each Payout Date.
Aggregate Cashflows	As set out in Annexure 2.
Form of Credit Enhancement	The Credit Enhancement would comprise of: <ul style="list-style-type: none"> ➤ The Excess Interest Spread; ➤ Investment by the Seller in the Equity Tranche PTCs; and ➤ Cash Collateral
Utilisation of Credit Enhancement	The Credit Enhancement will be utilised to meet shortages in Investor Payouts on account of credit losses as per waterfall mechanism and will be utilised in the following manner: <ul style="list-style-type: none"> ➤ First, the Excess Interest Spread; ➤ Second, the Receivables representing the Equity Tranche PTCs; and ➤ Then, the Cash Collateral. <p>It is hereby clarified that the amount of Credit Enhancement extended at the initiation of the securitisation transaction shall be available to the Trust during the entire life of the PTCs issued by the Trust, unless otherwise reset in accordance with applicable RBI guidelines. However, any such release or reset or withdrawal shall only be done with the prior written consent of the Trustee, acting on the instructions of all the Investors and with prior written intimation to the Rating Agency. Provided however that, the EIS may reduce on account of amortisations.</p>
Payment Mechanism	Shriram Finance Limited will continue to service the pool as the Servicer. <p>The collections of month (M), will be deposited into the CPA in month (M+1), 1 (One) Business Day prior to the relevant Payout Date.</p> <p>If the amount that will be made available in the CPA is insufficient for making the scheduled payments (as well as payment due on account of Prepayment or Part Prepayment) due to the Investors, the Credit Enhancement will be drawn to the extent of shortfall.</p>
Collection & Payout Account / CPA	The Collection & Payout Account / CPA refers to the current account maintained with the Designated Bank and operated solely by the Trustee. <p>The Servicer shall deposit all collections from the Receivables in the CPA and the amounts available in the CPA shall be utilised by the Trustee for making the payments due in terms of the Waterfall Mechanism.</p>
Payment Waterfall / Waterfall Mechanism	(a) On the relevant Payout Date, proceeds realised from the Receivables in the relevant calendar month and deposited in the Collection and Payout Account, together with the amounts realised or utilised from the Credit Enhancement and transferred to the Collection and Payout Account in accordance with these presents will be utilised in the following order of priority (provided however that the amounts drawn from the Credit Enhancement shall not be utilised to meet any payments due in respect of EIS): <ol style="list-style-type: none"> (i) Till such time as the Series A1 PTCs are outstanding, the priority in which payments shall be made is as follows: <ol style="list-style-type: none"> A. for payment of all statutory and regulatory dues; B. for the payment of the Servicer's Fees, any expenses incurred by the Servicer or alternative servicer (other than the expenses to be borne by the Servicer, or the alternate servicer, as set out in the Transaction



	<p>Documents) or the Trustee or Trust or any fees payable to the Rating Agency, Trustee, Due Diligence Auditor, legal counsel and/or the Designated Bank; provided that if the Seller has undertaken to bear any of the aforesaid expenses, the Trustee shall make a claim on the Seller upon making such payments pursuant hereto;</p> <p>C. for payment of overdue Series A1 Yield payments due to Series A1 Investors;</p> <p>D. for payment of current Series A1 Yield payments due to the Series A1 Investors;</p> <p>E. Payment of expected Series A1 Principal (which includes any unpaid expected Series A1 Principal pertaining to earlier period, payable to Series A1 Investors);</p> <p>F. Any amounts received towards Prepayment or Part Prepayment to be utilised for payment of principal outstanding on Series A1 PTCs;</p> <p>G. for reinstatement of the Credit Enhancement in accordance with the terms of the Transaction Documents; and</p> <p>H. The residual amounts, if any, shall be paid to the Residual Beneficiary.</p> <p>(ii) On payment of Series A1 PTCs in full and till such time the Equity Tranche PTCs are outstanding, the priority in which payments shall be made is as follows:</p> <p>A. for payment of all statutory and regulatory dues;</p> <p>B. For the payment of the Servicer's Fees (if any), any expenses incurred by the Servicer or alternate servicer (other than the expenses to be borne by the Servicer, or the alternate servicer, as set out in the Transaction Documents) or Trustee or Trust or any fees payable to the Rating Agency, Trustee, Due Diligence Auditor, legal counsel and/or the Designated Bank; provided that if the Seller has undertaken to bear any of the aforesaid expenses, the Trustee shall make a claim on the Seller upon making such payments pursuant hereto;</p> <p>C. For payment of expected Equity Tranche Principal (which includes any unpaid expected Equity Tranche Principal pertaining to earlier periods, payable to the Equity Tranche Investors); and</p> <p>D. any residual amounts shall be paid to the Residual Beneficiary.</p> <p>(b) For the sake of abundant caution, it is clarified that once payment of the residual Excess Interest Spread and Equity Tranche Investor Payouts have been made to the Seller, the amounts so paid, shall not be available to the Trust for meeting shortfalls in any future payouts to the Investors.</p> <p>(c) Notwithstanding anything contained in this Deed and/or the other Transaction</p>
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	<p>Documents, the Credit Enhancement shall be drawn upon and utilised in the following manner:</p> <p>(i) to meet any shortfall in monies available in the Collection and Payout Account for servicing the Series A1 Yield on any Payout Date;</p> <p>(ii) to meet any shortfall in monies available in the Collection and Payout Account for servicing the Series A1 Principal outstanding as on the Series A1 Final Maturity Date.</p> <p>(d) After all the Investor Payouts are made in full, if there are any surplus amounts lying to the credit of the Collection and Payout Account or any balance Receivables to be collected from the Obligors, the right, title and interest in relation thereto shall belong to the Seller and the Seller and the Trustee agree and undertake to execute any document(s) as may be required for the said purpose.</p> <p>(e) It is clarified that the Credit Enhancement including the Excess Interest Spread shall be utilised solely for the purposes of meeting any shortfalls in the Investor Payouts to the extent that the same is caused as a result of a shortfall in the collection of Receivables from the underlying Loan Agreements or on account of the Servicer not depositing these collected Receivables in the Collection and Payout Account, and shall not be utilised to meet any liabilities of the Trust, the Trustee or the Beneficiaries, whether statutory or otherwise, irrespective of the fact that the non-utilisation of the Credit Enhancement and the Excess Interest Spread may lead to a reduction/alteration in the amounts payable in relation to the Investor Payouts.</p>
Prepayments	<p>Means:</p> <ul style="list-style-type: none"> ➤ the early payment by an Obligor of all the balance (including interest and principal) outstanding on that Loan Agreement, whether voluntarily or pursuant to appropriate court orders or arbitration awards; or ➤ foreclosure of a Loan Agreement due to repossession and sale of the Underlying Assets by the Servicer; or ➤ any realisations pursuant to any legal proceedings including arbitration proceedings instituted for recovery of moneys from the Obligor; or ➤ any realisations from insurance on loss/ destruction of the Underlying Assets; or ➤ any realisations from invocation of guarantees provided by the Obligors or any other person in relation to the Loan Agreement, if any.
Prepayment Amount	The amounts payable to the Investors on the Payout Date in the event of any Prepayment or Part Prepayment, which shall be equivalent to the principal cashflows due under the Loan Agreement(s) in relation to which the Prepayment(s) or Part Prepayment(s) have occurred. The Prepayment Amounts shall be distributed to the Investors in terms set out in the Transaction Documents.
Prepayment Proceeds	The amounts paid by the Obligor to the Servicer or realised by the Servicer on the happening of Prepayment or Part Prepayment.
Clean-up Call Option	The Seller will have the option to repurchase the Receivables pertaining to the performing contracts anytime after the outstanding principal of the pool of Receivables declines below 10% of the aggregate principal of the pool of Receivables on the Cut-Off Date, at a purchase consideration equal to the outstanding principal amount of such fully performing Receivables as of the date of exercising the Clean



	<p>Up Call Option. An exercise of such a clean up call will be treated as a Prepayment for the purposes of making payouts to the Beneficiaries under the Transaction Documents.</p> <p>Such re-purchase shall be conducted at arm's length, on market terms and conditions (including price / fee) and shall be subject to the Seller's normal credit approval and review processes. The right of the Seller to repurchase such fully performing Assets shall be exercised at its sole discretion. This option can be exercised only if the Credit Enhancement available at such time is more than the amount of non-performing facilities so that the said part of Credit Enhancement shall be used to make payment to the Trust with respect to the non-performing facilities to the full extent.</p>
Any class or tranche not being offered to public	The PTCs are privately placed and are not offered to the public.
Interest Payment Date	On the Payout Date as set out in Annexure 2 hereto.
Principal Payment Date	On the Payout Date as set out in Annexure 2 hereto.
Optional Redemption	Not Applicable
Possibility of extension or shortening of period of PTC	Upon the delay in payments by the Obligor, the tenor of the PTCs may be increased.
Risk of prepayment in respect of the PTCs	Upon any prepayment by any Borrower and/or any foreclosure, the prepayment amounts collected shall be paid to the Investors on the immediately succeeding Payout Date in accordance with the provisions of Clause 2.3 herein. Therefore, the PTC may be prepaid on account of the any Prepayment and/or Part Prepayment and/or foreclosure of the Loans.
First Payout Date	As set out in Annexure 1.
Last Payout Date/Maturity Date	As set out in Annexure 1.



2.4 PRINCIPAL TERMS OF THE PTCs

Issue Opening Date	November 08, 2023
Issue Closing Date	November 08, 2023
Deemed Date of Allotment	November 08, 2023
First Payout Date	December 17, 2023
Last Payout Date in relation to Equity Tranche PTCs	March 17, 2028
Last Payout Date in relation to Series A1 PTCs	Expected Last Payout Date: May 17, 2027 Legal Final Payout Date: March 17, 2028
Legal Final Maturity in relation to Equity Tranche PTCs (in months)	52 (Fifty Two) months
Legal Final Maturity in relation to Series A1 PTCs (in months)	52 (Fifty Two) months
No. of Series A1 PTCs	92,69,00,778 (Ninety Two Crore Sixty Nine Lakh Seven Hundred and Seventy Eight)
No. of Equity Tranche PTCs	4,87,84,252 (Four Crore Eighty Seven Lakh Eighty Four Thousand Two Hundred and Fifty Two)
Price Per Series A1 PTC	Re. 1/- (Rupee One only)
Price Per Equity Tranche PTC	Re. 1/- (Rupee One only)
Minimum Subscription / Minimum Ticket Size for Equity Tranche PTC	Rs. 1,00,00,000/- (Rupees One Crore Only) i.e., Equity Tranche Investor has to acquire at least 1,00,00,000 (One Crore) number of PTCs and multiples of 1 (One) thereafter.
Minimum Subscription / Minimum Ticket Size for Series A1 PTC	Rs. 1,00,00,000/- (Rupees One Crore Only) i.e., Series A1 Investor (or transferee of a Series A1 PTC) has to acquire at least 1,00,00,000 (One Crore) number of PTCs and multiples of 1 (One) thereafter.
Rating of Equity Tranche PTC	BBB+ (SO)
Rating of Series A1 PTC	AAA (SO)

2.5 RATING

The Rating Agency has given a provisional rating of AAA (SO) for Series A1 PTCs and BBB+ (SO) for Equity Tranche PTCs. However, this is an indicative rating and is contingent upon the receipt of final documents conforming to information already received in relation to the Certificates. The ratings are not a recommendation to subscribe to or purchase, hold or sell or redeem the PTCs in as much as the ratings do not comment on its suitability to a particular Investor. There is no assurance either that the rating will remain at the same level for any given period of time or that the credit rating will not be lowered or withdrawn entirely by the Rating Agency. Also, the Rating Agency will issue the final ratings after the compliance with the terms of the provisional rating.

2.6 APPLICATION FOR CERTIFICATES



CHAPTER 3: THE TRANSACTION STRUCTURE

3.1 TRANSACTION STRUCTURE

(a) Shriram Finance Limited is the Originator/Seller/Service of the Assets. Each of the Loans and the Receivables under which have been identified for assignment, have a monthly repayment frequency and:

(i) All Loans which have an original tenure of up to 24 (twenty four) months have been held in the books of the Seller for at least 3 (Three) months from the date on which: (i) the registration of the security interest created for the relevant Loan with Central Registry of Securitisation Asset Reconstruction and Security Interest of India has been done; or (ii) the first instalment of the relevant Loan has been repaid, as the case may be; and

(ii) all Loans which have an original tenure of more than 24 (twenty four) months have been held in the books of the Seller for at least 6 (Six) months from the date on which: (i) the registration of the security interest created for the relevant Loan with Central Registry of Securitisation Asset Reconstruction and Security Interest of India has been done; or (ii) the first instalment of the relevant Loan has been repaid, as the case may be;

and therefore these Loans have been held on the books of the Seller for the minimum holding period as stipulated under the RBI Securitisation Guidelines.

(b) The Originator shall assign and sell the Receivables together with the Underlying Security to a Special Purpose Vehicle (SPV), which is a Trust, namely Sansar Trust Nov 2023 II settled by Catalyst Trusteeship Limited under the Trust Deed for acquiring the Assets as property of the Trust in trust for and for the benefit of the Investors.

(c) The Trust will purchase the Assets from the Originator, by using the monies received from the Investors as advances for issuing the PTCs, and upon acquisition of the Assets issue the Series A1 Pass Through Certificates (Series A1 PTCs) to the Series A1 Investors and Equity Tranche PTCs to the Seller.

(d) To meet the minimum retention requirement ("MRR") stipulated by the Reserve Bank of India ("RBI"), in relation to the Assets being sold, the Seller shall provide:

(i) The Cash Collateral of Rs. 4,88,00,000/- (Rupees Four Crore and Eighty Eight Lakh Only) which constitutes 5% (Five Percent) of the principal portion of the Receivables.

(ii) Investment by the Seller in the Equity Tranche PTCs to the extent of 5% (Five Percent) of the principal portion of the Receivables.

(e) The Seller would also subscribe to the Equity Tranche PTCs so as to enable the Seller to maintain the MRR in terms of the RBI Securitisation Guidelines. The Seller shall maintain the MRR as a percentage of the unamortised principal on an ongoing basis. The Equity Tranche PTCs shall not be listed on BSE or any other stock exchange in India.

(f) The PTCs issued by the Trust shall represent the undivided beneficial interest of the holder thereof in the Assets.

(g) The Series A1 PTCs have been given a provisional rating of AAA (SO) and the Equity Tranche PTCs have been given a provisional rating of BBB+ (SO) by the Rating Agency. The provisional ratings shall be confirmed by the Rating Agency after the compliance with all the terms for the issue of the provisional ratings.



- (h) Catalyst Trusteeship Limited acting as the Trustee shall monitor the overall transaction on behalf of the beneficiaries of the Trust (being the investors in the PTCs) and shall be responsible for performing various actions to protect their interests.
- (i) The Trustee will open and operate the Collection and Payout Account (CPA).
- (j) The Cash Collateral shall be available to the Trust for the benefit of the Investors at all times until the final scheduled Investor Payout is made to the Investors.
- (k) The Seller shall be responsible for bearing all initial costs in relation to the securitisation transaction, including but not limited to the fees of the Trustee, the Rating Agency, the Designated Bank, the stamp duty payable on the Transaction Documents, the fees of the legal counsel and the fees of any auditors appointed for inspecting the pool of Loans.
- (l) The Credit Enhancement for the PTCs, will comprise of the Excess Interest Spread, the investment by the Seller in the Equity Tranche PTCs and Cash Collateral, which Cash Collateral shall be provided by the Originator in such manner and to such extent as is required to ensure that the respective provisional rating of the Series A1 PTCs is confirmed by the Rating Agency.
- (m) The Seller will be appointed as the Servicer in relation to the Assets. The Servicer shall collect the Receivables from the Obligors and deposit all the collections realised therefrom into the Collection and Payout Account at least 1 (One) Business Day prior to the relevant Payout Date. The Servicer shall prepare the Monthly Reports in relation to the collections and the outstanding dues and monies deposited into the Collection and Payout Account and make the same available to the Trustee at least 2 (Two) Business Days prior to each Payout Date.
- (n) The Servicer shall not be entitled to any fees for the performance of various functions and activities as the Servicer other than as specifically set out in the Transaction Documents and shall act as the Servicer in accordance with the provisions thereof.
- (o) Out of the monthly instalments expected from the Obligors, the Investor Payouts have been arrived at and the same shall be paid to the Investor(s) on the specified Payout Dates.
- (p) The Investor Payouts for the PTCs has been detailed in **Annexure 2**.
- (q) The Seller will have the option to repurchase the Receivables pertaining to the performing contracts any time after the outstanding balance on the Receivables declines to 10% or below of the initial pool balance, at market terms and conditions. The exercise of this option would have the same effect as prepayments. Such re-purchase shall be conducted at arm's length, on market terms and conditions (including price / fee) and shall be subject to the Seller's normal credit approval and review processes. The right of the Seller to repurchase such fully performing Assets shall be exercised at its sole discretion. This option can be exercised only if the Credit Enhancement available at such time is more than the amount of non-performing facilities so that the said part of the Credit Enhancement shall be used to make payment with respect to the non-performing facilities to the full extent.
- (r) After all the Investor Payouts are made to the Investors and all amounts drawn from the external Credit Enhancement has been repaid in full, the balance amounts lying in the CPA as well as the outstanding Receivables and all right title and interest in relation thereto shall belong to the Seller.



3.2 RECEIVABLES

All amounts payable by an Obligor to the Originator from (the Transfer Date) including interest, overdue charges, any penal charges, any reimbursement of costs and any other payments as per the terms and conditions of the Underlying Documents are agreed to be transferred and assigned by the Seller to the Trust. However, Prepayment Proceeds in relation to amounts due after the Transfer Date, which are received prior to the Transfer Date but after the Cut-off Date shall form part of the Receivables.

3.3 INSTRUMENTS ON OFFER

Series A1 Pass Through Certificates issued by Sansar Trust Nov 2023 II:

92,69,00,778 (Ninety Two Crore Sixty Nine Lakh Seven Hundred and Seventy Eight) Series A1 PTCs having a rating of by the Rating Agency.

Each Series A1 PTC represents a proportionate undivided beneficial interest in the Assets (other than to the Extent of the Equity Tranche Investor Payouts payable on the Equity Tranche PTCs, the right, title and interest in relation to which shall be held by the Seller) as specified in this Information Memorandum and will be issued pursuant to the various Transaction Documents entered into by and between different parties to this transaction of securitisation. The Series A1 PTCs do not represent an interest or obligation of the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller), the Servicer or any of their respective affiliates nor are the Series A1 PTCs or the underlying Receivables insured or guaranteed by the Trustee, the Originator/ Seller (other than to the limited extent of the Credit Enhancement provided by the Seller) the Servicer or any of their respective affiliates.

3.4 PAYOUT DATES

- (a) The collections of month (M), will be deposited into the CPA in month (M+1), 1 (One) Business Day prior to the Payout Date in the month M + 1.
- (b) From the amounts credited to the Collection and Payout Account as above, payments as specified hereinafter (Investor Payouts) are payable to the Investors on various dates as specified in Annexure 2 (Payout Dates). If a Payout Date falls on a Public Holiday or a day which is not a Business Day, then the Investor Payouts shall be made to Investor on the immediately preceding Business Day.

3.5 PAYMENT OF YIELD

The Series A1 PTCs shall carry a fixed rate of yield of 8.75% (Eight Decimal Point Seven Five Percent) per annum payable monthly on the Payout Dates as specified in **Annexure 2**.

3.6 PREPAYMENT AMOUNTS

- (a) In the event of Prepayment or Part Prepayment of any underlying Loan, the Prepayment Amounts collected in any particular month shall be payable to the Investors on the Payout Date in the immediate succeeding month in accordance with the order laid out in the Transaction Documents. The future PTC principal cash flows shall be revised to the extent of the reduction in the future principal amounts on account of the prepaid/ foreclosed Loan Agreements.
- (b) The Prepayment Amounts shall be computed as the aggregate value of the future unbilled principal amounts of the prepaid/ foreclosed Loan Agreements.



- (c) The shortfall, if any, between the Prepayment Amount payable to Investors and the Prepayment Proceeds received from the Obligor shall be made up by drawing from the Credit Enhancement.

3.7 CREDIT ENHANCEMENT

- (a) Credit Enhancement shall be provided in form of:
- (i) Excess Interest Spread (EIS);
 - (ii) Investment in Equity Tranche PTCs; and
 - (iii) Cash Collateral

- (b) The Cash Collateral (or any part thereof) shall be placed in the form of fixed deposit by the Originator with such bank as is acceptable to the Trustee acting in consultation with the Rating Agency. Other than the interest earned on the fixed deposits forming part of the Cash Collateral, the Cash Collateral provided in the form of cash, shall be held in trust by the Originator for and on behalf of the Trustee for the benefit of the Investors and shall be utilised in accordance with the Deed of Assignment. Notwithstanding anything contained in the Transaction Documents, Credit Enhancement shall not be utilised for making payment to Equity Tranche Investors with respect to the Equity Tranche PTCs.

- (c) In case of any shortfall, the Credit Enhancement will be utilised in the following order:
- (i) First, Excess Interest Spread;
 - (ii) Second, the Receivables representing the Equity Tranche PTCs; and
 - (iii) Then, the Cash Collateral

- (d) Utilisation of Excess Interest Spread

The Excess Interest Spread forming part of the collections of any calendar month shall be deposited along with all other collections on the day on which such collections are due to be credited to the Collection and Payout Account and will be available for meeting any shortfalls in the Investor Payouts to be made to the Investors on the said Payout Date. In the event that the Excess Interest Spread (or any part thereof) is not required to be utilised to meet the Investor Payouts or reinstatement of the Cash Collateral to the stipulated level, the said monies would be passed on to the Seller in accordance with the terms of the Deed of Assignment.

- (e) Utilisation of Cash Collateral

The Cash Collateral would be utilised in the event of amounts collected being insufficient for making promised payments to the Series A1 Investors on the relevant Payout Dates.

- (f) Process for invoking Cash Collateral

At least 2 (Two) Business Days prior to any Payout Date, the Trustee shall, based on the Monthly Reports, determine the adequacy of funds to make payments to the Series A1 Investors. In the event of a shortfall on any Payout Date (determined as per the Waterfall Mechanism), the Trustee shall invoke the Cash Collateral so as to ensure that the amounts utilised therefrom is deposited in the CPA at least 1 (One) Business Day prior to the Payout Date.

- (g) Replenishment of Cash Collateral

In the event that the monthly collection is such that there is excess after making the Investor Payouts then any such excess shall be utilised to replenish the Cash Collateral in the manner as set out in the Waterfall Mechanism.



3.8 IMPORTANT STRUCTURAL TRIGGERS

In the event of any Prepayment/ Part Prepayment/foreclosure by the Trust, the Investor shall receive the Prepayment amounts on the immediately succeeding Payout Date. The cashflow schedule for the PTCs would accordingly vary, in the prepayment on account of Prepayments/ Part Prepayments/ foreclosures. Therefore, the tenor of the PTC may be shortened on account of the Prepayment/ Part Prepayments/ foreclosures. Further, upon the delay in payments by the Obligor, the tenure of the PTCs may be increased. Further residual amounts shall be utilised for accelerating the principal amounts due on the Series A1 PTCs.

However, the Originator has stated that the cashflows upon realisation are sufficient to repay the PTCs.

3.9 MATERIAL CONTRACTS

The Originator has entered into the Loan Agreements with the Borrowers under the terms of which the Loans have been advanced by the Originator to the Borrowers.

3.10 NO RECOURSE

(a) If any representation or warranty set forth in the Deed of Assignment by the Seller is found to be false and which affects the interests of the Investors in the Assets and if such misrepresentation has not been rectified by the Seller within 15 (Fifteen) days after a notice for rectification with respect thereto has been given to the Seller by the Trustee ("**Cure Period**"), the Seller shall at the option of the Trustee, acting on the written instructions of the Investors holding Majority Interest, either:

- (i) substitute the Receivables in respect of which there is a misrepresentation with any other receivables, which, comply with the key pool selection criteria identified in the Annexure IV hereto and more particularly in Paragraph 6.1 below, and which in the opinion of the Trustee, are similar to the substituted Receivables as to the principal amount, maturity, interest and equal monthly instalments; or
- (ii) repurchase those Receivables by credit to the Collection and Payout Account of an amount equal to the Purchase Consideration (corresponding to such Receivables) minus the amounts already paid to the Investors towards the Investor Payouts (corresponding to such Receivables), along with interest thereon at 2% (Two Percent) (over and above the Yield) from the date of expiry of the Cure Period till the date of repurchase by the Seller.

(b) The Seller must either substitute or repurchase as directed by the Trustee within 30 (Thirty) days of being notified by the Trustee or such shorter timeline required under applicable law. For the avoidance of doubt, so long as no repurchase has been effected under Clause 3.10(a)(ii) above interest as set out thereunder will continue to accrue;

(c) Any remedy of the Trustee in terms of this Clause 3.10 shall be exercised not later than 120 days from the date of execution of the Deed of Assignment.

3.11 CASH FLOW APPROPRIATION AND DISTRIBUTION

(a) Collection of Instalment



The Trustee shall open the CPA with the Designated Bank. The Originator shall instruct the Servicer upfront to remit all collections on the pools pertaining to the CPA. The Servicer shall collect all Receivables due and all such collected amounts (including upon enforcement or as overdues) in any particular calendar month shall be remitted by the Servicer into the CPA at least 1 (Two) Business Day prior to the Payout Date in the subsequent calendar month.

(b) Investor Payouts determination

- (i) The Monthly Report for each calendar month will be submitted by the Servicer to the Trustee latest by 2 (Two) Business Days prior to the Payout Date in the subsequent calendar month. At least 2 (Two) Business Days prior to each Payout Date, the Trustee will determine the Investor Payouts to be paid on the Payout Date to the Investors on each PTC on the basis of the Monthly Reports. In the event that there is going to be a shortfall in the monies available in the CPA to meet the scheduled payments due to the Investors (as determined by the Trustee on the basis of the Monthly Reports), the Trustee shall utilise the Cash Collateral to the extent required to meet such shortfalls.
- (ii) The Investor Payouts will be made only to the registered Investors with the Registrar and Transfer Agent as on the Determination Date being 1st day of each month.

3.12 WATERFALL MECHANISM

The Waterfall mechanism shall be as set out under the entry *Payment Waterfall* in Clause 2.3 of Chapter 2 of this Information Memorandum.

3.13 METHOD OF PAYMENT

All payments by the Trustee to the Investors shall be made by a RTGS/NEFT/Funds Transfer and payable in Mumbai.

3.14 WITHHOLDING TAXES

The Issuer will not be obliged to pay additional amount if the Investor Payouts on the Investors are subject to withholding taxes.

3.15 DUE DILIGENCE AUDIT

Due Diligence Auditor shall conduct a sample audit of 20% (Twenty Percent) of the Loan contracts included in the pool to determine their existence, whether they meet with the selection criteria and whether adequate documentation has been executed in relation to the said Loan contracts.

3.16 REPRESENTATIONS AND WARRANTIES

The Seller shall make all the representations and warranties in relation to the Assets as are standard and customary in relation to such transactions and which shall be in compliance with the RBI Securitisation Guidelines and SEBI PTC Listing Regulations and the representations and warranties provided by the Seller are specified in details in Paragraph 5.13 below

3.17 EFFECT OF DELINQUENCIES



For the instrument under consideration, since pool specific Credit Enhancement is available for shortfalls in collection caused on account of delinquency, the returns on the PTCs will be affected only if the delinquencies are higher than the Credit Enhancement provided. The historical delinquencies for contracts originated by the Originator suggest that the Credit Enhancement available will be more than sufficient to cover the shortfall caused on account of the delinquencies. There is, however, no assurance that the actual delinquencies of the contracts under consideration will conform to the historical rates.

3.18 EFFECT OF PREPAYMENTS

- (a) Prepayment of a loan contract may arise in a circumstance where an Obligor pays the Receivables due from him at any time prior to the scheduled maturity date of that Receivable. A foreclosure may occur *inter alia* on account of the Servicer repossessing the Underlying Asset financed by a Loan and selling the same and using the proceeds therefrom to close the Loan account.
- (b) Foreclosure of a loan contract may arise in a circumstance where an Obligor has defaulted and the security interest made available for the relevant Loan is enforced and proceeds realised therefrom is used to adjust the amounts outstanding from the said Obligor.
- (c) In the event of Prepayments or foreclosures, Investors may be exposed to changes in tenor.

3.19 EFFECTS OF RE-SCHEDULEMENTS

Re-schedulemets of Loans may be undertaken by the Servicer in the ordinary course of servicing (if the Servicer is of the opinion that it is the best option), with the prior consent of the Trustee acting on the instructions of the Beneficiaries holding Majority Interest. Further, the Trustee may re-schedule the Loans after the transfer of assets to the Trust, with the express prior written consent of the Investors holding Majority Interest and the providers of credit enhancement, however, for resolution of any Loan by the Trustee which has become a stressed asset, no consent of providers of credit enhancement, the Servicer or other service providers would be required to be obtained. Upon any such re-schedulemets, the tenor and cashflows due to the Investors may be impacted and will be reflected in the relevant Monthly Report.

3.20 MONTHLY REPORTS TO INVESTORS

The Servicer shall be responsible for monitoring the performance by the Obligors of their obligations under the Underlying Documents and shall submit to the Trustee monthly reports of the same (which shall be prepared in accordance with such format as mutually agreed between the Servicer and the Trustee, at least 2 (Two) Business Days before the Payout Date of the month succeeding the month for which such information is collated ("**Monthly Report**"), including but not limited to the following details which includes data to be provided for one or more of the Loans:

- (i) level of MRR being maintained by the Seller with respect to the Assets including by way of subscription to the Equity Tranche PTCs and the Credit Enhancement made available by the Seller;
- (ii) billed amount to the Obligors during the calendar month;
- (iii) actual collections from Obligors towards this billed amount;
- (iv) aging analysis of overdues and of principal outstanding;
- (v) any Prepayment from Obligors and the number of Loan Agreements prepaid and amounts obtained therefrom;
- (vi) revised cashflow schedule(s);
- (vii) details of enforcement of Underlying Security, including number and value of Underlying Assets sold;
- (viii) amount of monies utilised from the Credit Enhancement and the amount reinstated to the Credit Enhancement;



- (ix) outstanding rating of the Seller and the Servicer;
- (x) report regarding the non-performing assets;
- (xi) details of the sale proceeds from sold Underlying Assets, if any;
- (xii) details of insurance claims made, if any, with respect to any Underlying Assets and their respective status;
- (xiii) any other information relating to the Receivables that the Trustee may reasonably request; and
- (xiv) contract level details.

3.21 SEMI ANNUAL REPORTS

The Servicer shall as on the Deemed Date of Allotment and thereafter on a semi-annual basis (end-September and March), which shall contain all information as required under Annex 2 of the RBI Securitisation Guidelines (prepared in the format set out in the said Annexure), which format has been reproduced in **Annexure 5** herein).

3.22 DISCLOSURES PURSUANT TO THE RBI GUIDELINES

- (a) The investments in the PTCs do not represent deposits or other liabilities of the Originator (other than to the limited extent of the Credit Enhancement provided by the Originator), Servicer, Trust or the Trustee and the said investment in the PTCs are not insured.
- (b) The Trustee / Originator / Servicer / Trust do not guarantee the capital value of the PTCs (other than to the limited extent of the Credit Enhancement provided by the Originator) and/or the performance of the PTCs issued or the collectability of the Receivables.
- (c) The investment in the PTCs by the Investors can be subject to investment risk, interest rate risk, credit risk, possible delays in repayment and loss of income and principal invested.
- (d) The level of MRR being maintained by the Seller in this transaction is 10% (Ten Percent) comprising of:
 - (i) Cash Collateral in the form of fixed deposit of Rs. 4,88,00,000/- (Rupees Four Crore and Eighty Eight Lakh only) which constitutes 5% (Five Percent) of the principal portion Receivables; and
 - (ii) investment by the Seller in the Equity Tranche PTCs which constitutes approximately 5% (Five Percent) of the principal portion of the Receivables;
- (e) Please find annexed hereto and numbered as **Annexure 5**, the format in which Shriram Finance Limited shall set out the disclosures required under Annex 2 of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 issued by the RBI on September 24, 2021 vide notification no. DOR.STR.REC.53/21.04.177/2021-22 as amended/revised from time to time or any guidelines issued in relation to amendment/alteration/revision of the aforesaid guidelines.

3.23 LISTING ON THE STOCK EXCHANGE

The Trustee shall comply with all applicable SEBI regulations and other applicable laws that are applicable laws that are applicable to issuance of Series A1 PTCs and listing of Series A1 PTCs, as securitised debt instruments under the SEBI PTC Listing Regulations, on the WDM Segment of Stock Exchange and further ensure that save and except for any consents and approvals and required to be obtained from Stock Exchange for listing of the Series A1 PTCs, all consents, approvals and resolutions required to issue or list the Series A1 PTCs are in place prior to the issuance of the Series A1 PTCs. The Trustee shall seek listing of the Series A1 PTCs on one or more stock exchanges, after due compliance with all the requirements of such stock exchange/s within a maximum period of 3 (Three) working days from the Deemed Date of Allotment.



All upfront costs and expenses incurred towards listing of the Series A1 PTCs shall be borne by the Seller and all ongoing costs and expenses incurred for having the Series A1 PTCs continued to be listed shall be borne from the property of the Trust.

The Trustee shall ensure that the Series A1 PTCs are listed on the WDM Segment of Stock Exchange in terms of the Trust Deed within a maximum period of 3 (Three) working days from the Deemed Date of Allotment.

3.24 CLEAN UP CALL

The Seller will have the option to repurchase the Receivables pertaining to the performing contracts any time after the outstanding balance on the Receivables declines to or below 10% of the initial pool balance, at market terms. The exercise of this option would have the same effect as prepayments.

Such re-purchase shall be conducted at arm's length, on market terms and conditions (including price / fee) and shall be subject to the Seller's normal credit approval and review processes. The right of the Seller to repurchase such fully performing Assets shall be exercised at its sole discretion. This option can be exercised only if the Credit Enhancement available at such time is more than the amount of non-performing facilities so that the said part of the Credit Enhancement shall be used to make payment to the Trust with respect to the non-performing facilities to the full extent.

3.25 TRUST DEED TO PREVAIL

In the event of any inconsistency between the provisions as set out in this Information Memorandum and the Trust Deed, the provisions as set out in the Trust Deed shall prevail.



CHAPTER 4: APPLICATION / ALLOTMENT PROCEDURE

4.1 WHO CAN APPLY

An application for the Series A1 PTCs may be made only by the person to whom this Information Memorandum has been sent by the Issuer. Neither any application nor this Information Memorandum is transferable by the party who receives the same. In order to subscribe to these Certificates or to purchase them in the secondary market, a prospective investor must qualify under any of the following categories: Resident Individuals// Hindu Undivided Family/ Trust/ Limited Liability Partnerships/ Partnership Firm(s)/ Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI/ Association of Persons/ Companies and Bodies Corporate including Public Sector Undertakings / Commercial Banks/ Regional Rural Banks / Financial Institutions / Mutual Funds / Insurance Companies/ Alternative Investment Funds (AIF) and any other prospective investor eligible to subscribe to the PTCs under applicable laws.

4.2 OFFER PROGRAM

The subscription list will open at the commencement of the banking hours and will close on the day mentioned below:

Issue Opening Date	November 08, 2023
Issue Closing Date	November 08, 2023
Deemed Date of Allotment	November 08, 2023

4.3 SUBMISSION OF APPLICATIONS

- (a) Investors are required to subscribe by submitting a completed Application Form, in the format as annexed to this Memorandum, along with the subscription amounts for the PTCs applied for.
- (b) All applications for the PTCs must be in the prescribed application forms and must be completed in BLOCK LETTERS in English. Application forms, duly completed, must be delivered together with the cheque / demand draft payable high value at least on the Issue Closing Date no later than 9.30 a.m. on that date at the offices of the Trustee. The investors must make such payment by RTGS such that the credit is received no later than 2.00 p.m. on the Issue Closing Date.
- (c) All application forms must be accompanied by duly attested / certified true copies of the following:
 - (i) Memorandum and Articles of Association / Trust Deed / Byelaws / other documents of constitution, as the case may be of the investing entity;
 - (ii) Resolution of the appropriate authority of the investing entity, authorising the investment;
 - (iii) Names and specimen signatures of authorised signatories;
 - (iv) Power of attorney where applicable (Modifications / additions should be notified to the Registrar and Transfer Agent); and
 - (v) Tax exemption certificate for non-deduction of tax at source if exemption is sought.

4.4 TERMS OF PAYMENT

- (a) The full amount due should be paid along with the completed application at least on the Issue Closing Date. All such investors, who are desirous of making payment through RTGS, would have to remit the subscription amount by way of RTGS transfer such that the credit is received no later than 2.00 p.m. at Mumbai on the Issue Closing Date.
- (b) In case of payments by RTGS or NEFT the same can be made as per the details mentioned below:
 - (i) Beneficiary Name: Sansar Trust Nov 2023 II
 - (ii) Account No. : 055505014144
 - (iii) Bank Details : ICICI Bank Limited



(iv) Branch : ICICI Bank Towers, Bandra Kurla Complex
(v) IFS Code : ICIC0000555

- (c) If required, the prospective investors may be requested by the Trustee to directly make payment of the subscription amounts to the Seller and the same shall be deemed to be a payment of the Purchase Consideration by the Trust to the Seller for acquiring the Assets.

4.5 FICTITIOUS APPLICATIONS

Any person who makes an application in a fictitious name for subscribing to the Certificates or otherwise induces a body corporate to allot or register any transfer of the Certificates therein to them or any other person in a fictitious name shall be liable for legal consequences of such action in addition to cancellation of the application.

4.6 DEEMED DATE OF ALLOTMENT

The Deemed Date of Allotment would be November 08, 2023.

4.7 BASIS OF ALLOTMENT

The basis of allotment will be determined by the Issuer at its discretion. Issuer reserves the right to accept or reject any application in full or in part without assigning any reason. In any event, an application, not being in conformity with the provisions set out herein or by a person from whom the application has not been sought for, shall be liable for rejection *prima facie*.

4.8 ALLOTMENT ADVICES / PASS THROUGH CERTIFICATES

For successful applicants, an Allotment Advice will be issued within 2 (two) Business Days of the Deemed Date of Allotment. Subsequently the PTCs shall be issued in dematerialised form within a period of 2 (two) Business Days from the Deemed Date of Allotment. The Allotment Advice is not negotiable.

4.9 CERTIFICATE REGISTER & TRANSFER OF CERTIFICATES

The Registrar and Transfer Agent shall maintain a register of certificates issued and transfers registered from time to time. The Certificates will be transferable in dematerialised form in accordance with applicable laws.

4.10 ISSUE PROCEEDS / SUBSCRIPTION AMOUNTS

The amounts raised from the Investors shall be paid into the Collection and Payment Account. The issue proceeds would subsequently be transferred to the Seller towards payment of Purchase Consideration for the Assets.

4.11 MINIMUM SUBSCRIPTION

There is no minimum subscription and the entire PTCs have to be subscribed to for this Issue to be closed. In the event that the Issue is not fully subscribed to before the Issue Closing Date, all application monies shall be returned as set out below.

4.12 REJECTION OF THE LISTING OF PTCs

The Trustee hereby undertakes that in the event any stock exchange to which an application for listing is made under sub-section (2) of Section 17A of the Securities Contracts (Regulation) Act, 1956 rejects listing permission or the PTCs are not listed on any recognized stock exchange within a period of 3 (Three) Business Days from the Issue Closing Date, the Issuer and, if necessary, its directors or Trustees, shall refund application moneys forthwith in terms of sub-section (3) thereof by crediting the subscription amounts to the respective bank accounts of the prospective investors.

4.13 REFUND OF SUBSCRIPTION MONIES

The Trustee confirms that in the event the Deed of Assignment is not executed for any reason whatsoever, post the deposit of the subscription monies, the Trustee shall refund such subscription monies to the respective



CHAPTER 5: SPECIFIC DISCLOSURES UNDER THE SEBI PTC LISTING REGULATIONS

5.1 DETAILS OF UNDERLYING ASSETS

(a) Legal jurisdiction(s) where the assets are located

The assets are spread across India as follows:

State	No. of Contracts	Principal	Interest	Total Cashflows
Andhra Pradesh	88	4,55,82,782.00	1,35,66,546.00	5,91,49,328.00
Assam	70	2,15,35,942.00	53,80,398.00	2,69,16,340.00
Bihar	26	94,55,767.00	19,08,060.00	1,13,63,827.00
Chhattisgarh	16	70,94,205.00	14,66,622.00	85,60,827.00
Delhi	5	28,07,750.00	7,09,596.00	35,17,346.00
Gujarat	69	3,38,97,682.00	86,72,412.00	4,25,70,094.00
Haryana	22	1,30,49,031.00	33,73,505.00	1,64,22,536.00
Himachal Pradesh	7	34,85,688.00	7,45,434.00	42,31,122.00
JAMMU AND KASHMIR	2	12,19,884.00	3,34,295.00	15,54,179.00
Jharkhand	13	71,18,138.00	17,71,101.00	88,89,239.00
Karnataka	296	11,58,54,811.00	3,04,32,999.00	14,62,87,810.00
Kerala	270	10,16,29,504.00	2,44,53,854.00	12,60,83,358.00
Madhya Pradesh	199	9,01,70,541.00	2,22,44,160.00	11,24,14,701.00
Maharashtra	149	8,42,24,627.00	2,12,05,646.00	10,54,30,273.00
ODISHA	202	7,73,82,900.00	1,53,67,649.00	9,27,50,549.00
PUDUCHERRY	6	29,60,989.00	8,47,307.00	38,08,296.00
Punjab	12	70,86,036.00	20,22,438.00	91,08,474.00
Rajasthan	132	6,87,67,908.00	1,68,72,872.00	8,56,40,780.00
Sikkim	15	41,85,410.00	9,81,083.00	51,66,493.00



Tamil Nadu	313	15,73,94,640.0 0	3,92,80,519.00	19,66,75,159.00
TELANGANA	74	3,60,94,153.00	1,08,34,462.00	4,69,28,615.00
Tripura	18	49,09,223.00	11,98,558.00	61,07,781.00
Uttar Pradesh	74	3,73,67,226.00	98,19,574.00	4,71,86,800.00
UTTARAKHAND	9	40,22,288.00	9,97,997.00	50,20,285.00
West Bengal	131	3,83,87,905.00	94,09,727.00	4,77,97,632.00
Grand Total	2218	97,56,85,030.0 0	24,38,96,814.00	1,21,95,81,844.00

(b) **Nature and Title of Assets**

Product	No. of contracts	Principal	Interest	Total Cashflow
HCV	534	32,65,13,797.00	8,77,67,360.00	41,42,81,157.00
LCV	753	37,07,76,963.00	9,23,84,263.00	46,31,61,226.00
PASSENGER	931	27,83,94,270.00	6,37,45,191.00	34,21,39,461.00
Grand Total	2218	97,56,85,030.00	24,38,96,814.00	1,21,95,81,844.00

(c) **Expiry/Maturity Date of the Assets**

The Receivables are due and payable by the Obligor over a period of 52 (Fifty Two) months. The cashflows to the Investors have been matched with the payments due and payable by the Obligor under the Loan Agreements.

Residual Tenure (in months)*	Principal (Rs. in Crs)	Interest (Rs. in Crs)	Total Cashflow (Rs. in Crs)
13-24	6,70,92,206.00	99,87,787.00	7,70,79,993.00
25-36	29,65,58,248.00	6,18,12,787.00	35,83,71,035.00
37-60	61,20,34,576.00	17,20,96,240.00	78,41,30,816.00
Grand Total	97,56,85,030.00	24,38,96,814.00	1,21,95,81,844.00

*as on October 20, 2023 as the Cut-off Date

(d) **Rate of return from the Assets**

The pool yield of the underlying assets is 14.6% (Fourteen Decimal Point Six Percent)

(e) **Selection Criteria of the Assets**



The pool assigned shall have the characteristics identified in Clause 6.1 herein.

(f) **Number and value of the assets in the pool:**

The Receivables selected for securitisation arise from 2218 (Two Thousand Two Hundred and Eighteen) Loan Agreements. The value of the Receivables is equal to Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only).

(g) **Method of origination or creation of the Assets**

Shriram Finance Limited has classified the geographical regions in the following manner: north, east, west, south and central. SFL, based on its 30 years of experience, has demarcated regions that have traditionally higher credit risk for each asset class, to keep defaults in check. In addition to the branches, the company follows the franchise model where it has a profit sharing and first loss default guarantee (FLDG) arrangement with the franchisee operator. There are around 500 franchisees spread across India. These franchisees originate on behalf of SFL by not only financing other asset classes, such as autos and three wheelers, but also helping SFL to penetrate into new customer bases.

SFL's customers are primarily Small Road Transport Operators (SRTO) and First Time Users (FTUs). A significant majority of SFL's customer base belongs to the low income group often not having any credit history supported by documents on which many of organized financial institutions rely. However, through our credit evaluation techniques, internally-developed valuation methodology which requires deep knowledge and practical experience developed over a period of time, relationship based approach and extensive branch network, we have made our business model unique and sustainable. In such a situation, it is imperative to maintain close relationships with the customers. SFL's field executives/product executives are not only responsible for origination but also for collections for cases referred by them.

(h) **Rights of recourse against the Originator to the extent allowed in law, including a list of material representations and warranties given to the Issuer relating to the assets**

The Receivables are being transferred to the Issuer on a non-recourse basis to achieve "true sale" treatment under the terms of the RBI Securitisation Guidelines and the relevant accounting standards in accordance with the terms of the Deed of Assignment. For the limited right of recourse available against the Originator, please refer to Paragraph 3.10 of this Offer Document. The representations being provided by the Originator are as set out in Paragraph 3.16 above.

(i) **Rights to substitute the Assets and the qualifying criteria**

The Receivables are being assigned on a non-recourse basis to Originator. However, in the event of any breach of representations and warranties of the Originator, the Trust may require the Originator to substitute the Assets in accordance with the provisions as set out in RBI Securitisation Guidelines and as set out in Paragraph 3.10 above.

(j) **Any prepayment right including prepayment penalties available to the Obligors**

Prepayment penalty at the rate specified under the Loan Agreements is payable at the time of Prepayment as per the terms of the Underlying Documents.

(k) **Level of concentration of the Obligors in the asset pool, identifying obligors that account for ten per cent or more of the asset value:**



The pool is well diversified with none of the Obligors accounting for more than 10% (Ten percent) of the asset value.

- (l) **Where there is no concentration of Obligors above ten per cent, the general characteristics and descriptions of the Obligors:**

Individual Obligors with maximum exposure below Rs. 42,39,600/- (Rupees Forty Two Lakh Thirty Nine Thousand and Six Hundred Only).

- (m) **Outstanding principal balance/anticipated collections over a definite period from the eligible assets**

The anticipated collections from the Receivables is identified in **Annexure 6** of this Offer Document

- (n) **Outstanding principal balance/anticipated collections over a definite period from the eligible assets as a percentage of the total amount of asset-backed securities being offered:**

The anticipated collections from the Receivables is identified in **Annexure 6** of this Offer Document

- (o) **Cash generated by the eligible assets in the last financial year as a percentage of the total amount of securitised debt instruments being offered**

Nil

- (p) **Amount of eligible assets in default of pool**

Nil

- (q) **Amount of eligible assets in default as a percentage of the total amount of securitised debt instruments being offered and the amount of eligible assets in default as a percentage of the credit enhancement**

Nil

- (r) **Explanatory notes where there is expected material difference between actual and projected cash flows and any actions being taken to correct the situation**

The Credit Enhancement will be utilised to meet shortages in Investor Payouts as per waterfall mechanism and will be utilised in the following manner:

- First, Excess Interest Spread;
- Second, the Receivables representing the Equity Tranche PTCs; and
- Then, the Cash Collateral.

- (s) **Description of what constitutes a default**

As per the terms of the Loan Agreement.

- (t) **CA Report on the cash flow projections arising from the eligible assets which are the basis of the securitisation together with the basis of the projection.**



CA Report attached herewith in Annexure 7

(u) **Static Pool Information**

The following information shall be provided for static pools of similar assets of all past securitisation transactions done with reference to the same originator:

- (i) Information regarding delinquencies, cumulative losses and prepayments information for the past 5 years of the Originator's portfolio, including the build up of such delinquencies, losses and prepayments over time:

As described under the Rating Rationale issued by CRISIL Ratings Limited and annexed as **Annexure 4** hereto.

- (ii) Factors relevant to the transaction such as asset term, asset type, yield, payment rates, the erosion of credit enhancements, any allocation of losses to any class of investors, etc:

As described under the Rating Rationale issued by CRISIL Ratings Limited and annexed as **Annexure 4** hereto.

5.2 SUMMARY TERM SHEET

Issuer	Sansar Trust Nov 2023 II
Originator / Seller	Shriram Finance Limited
Trustee	Catalyst Trusteeship Limited
Trust Property	The initial contribution of Rs. 1,000/- (Rupees One Thousand only) and all other contributions received by the Trustee, including the subscription amount received from the Investor for the PTCs issued to them by the Trust and all amounts deposited with the Trust on realization of the Assets, from time to time in accordance with the agreed collection and payout mechanism, and all investments representing the same and all income arising therefrom whether by way of interest, or otherwise.
Initial Contribution to set up the Trust	Rs. 1,000/- (Rupees One Thousand only)
Transaction Size	Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only)
Pool Principal as on Cut-Off Date	Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only) as on Cut-Off Date
Pool Cut-off Date	October 20, 2023
Settlement Date	November 08, 2023
Record Date/Determination Date	1st day of every month
Payout Dates	As set out in Annexure 2
Transaction Structure	As set out under Paragraph 3.1
Receivables	Pool of Receivables pertaining to vehicle loans originated by Shriram Finance Limited, the principal outstanding of which aggregates to Rs. 97,56,85,030/- (Rupees Ninety Seven Crore Fifty Six Lakh Eighty Five Thousand and Thirty Only) as on the Cut-Off Date.
Disclosures on key	As per the Pool Selection Criteria set out in the rating rationale issued by the Rating



pool features and composition	Agency, annexed hereto as Annexure 4 and more particularly set out in Paragraph 6.1 below.
Collection Period	The Receivables are due and payable by the Borrower on a monthly basis under the terms of the Loan Agreements and collection period with respect to the Loans shall accordingly vary.
Servicer	Shriram Finance Limited
Servicer Fee	0.25% (Zero Decimal Point Two Five percent) of the principal and interest Receivables to be collected in every Collection Month
Legal Counsel	Wadia Ghandy & Co.
Credit Enhancement for the Transaction	<p>The Credit Enhancement for the PTCs, will comprise of the Excess Interest Spread, the investment by the Seller in the Equity Tranche PTCs and the Cash Collateral.</p> <p>Total enhancement for PTCs is as follows:</p> <ul style="list-style-type: none">- Cash Collateral which amounts to 5% (Five Percent) of the principal portion of the Receivables.- Investment by the Seller in the Equity Tranche PTCs to the extent of 5% (Five Percent) of the principal portion of the Receivables. <p>The Credit Enhancement is provided by the Seller.</p>
Utilisation process and conditions for utilisation of credit enhancement	<p>The Trustee shall determine the amounts to be utilised from the Credit Enhancement at least 1 (one) Business Day prior to the relevant Payout Date and inform the entity providing external Credit Enhancement provider / Designated Bank, without further delay and not later than 5:00 pm on the same day, the amounts required to be credited into the Collection and Payout Account by them respectively. Such transfer shall be effected by the entity providing external Credit Enhancement / Designated Bank in accordance with such instructions, not later than 1 (one) Business Day before the relevant Payout Date. The amounts credited by the Credit Enhancement provider/ Designated Bank shall be utilized by the Trustee for making payments in accordance with the Payment Waterfall.</p> <p>The Credit Enhancement will be utilised to meet shortages in Investor Payouts on account of credit losses as per waterfall mechanism and will be utilised in the following manner:</p> <ul style="list-style-type: none">➤ First, Excess Interest Spread;➤ Second, the Receivables representing the Equity Tranche PTCs; and➤ Then, the Cash Collateral. <p>It is hereby clarified that the amount of Credit Enhancement extended at the initiation of the securitisation transaction shall be available to the Trust during the entire life of the PTCs issued by the Trust, unless otherwise reset in accordance with applicable RBI guidelines. However, any such release or reset or withdrawal shall only be done with the prior written consent of the Trustee, acting on the instructions of all the Investors and with prior written intimation to the Rating Agency. Provided however that, the EIS may reduce on account of amortisations.</p>
Reset of Credit Enhancement Facility	<p>It is hereby clarified that the amount of Credit Enhancement extended at the initiation of the securitization transaction shall be available to the Trust during the entire life of the PTCs issued by the Trust until reset of Credit Enhancement as below.</p> <p>Subject to the extant regulations issued by the RBI in this regard including the RBI Securitisation Guidelines, and if so advised by the Rating Agency at the relevant time, the Assignor may, with the consent of the Trustee and the consent of Investor</p>



	representing not less than 75% of the face value of the then outstanding PTCs (which consent shall not be unreasonably withheld), reset the Credit Enhancement Facility. The reset of the Credit Enhancement Facility shall be subject to the conditions prescribed under the extant RBI regulations including the RBI Securitisation Guidelines and the Trustee shall ensure that any reset of Credit Enhancement Facility shall be in compliance with the extant guidelines issued by RBI.
Name of the Designated Bank	ICICI Bank Limited acting through its branch located at Bandra Kurla Complex in Mumbai
Swap	NA
Refund / top up of Credit Enhancement	Top up of Credit Enhancement will be done through and as per the Payment Waterfall and in accordance with the terms of the Transaction Documents
Clean-Up Call Option	As set out under paragraph 9.10
Details of Listing	<p>a) Timing of listing:</p> <p>The Series A1 PTCs are proposed to be listed on the Stock Exchange within a maximum period of 3 (Three) working days from the Issue Closing Date.</p> <p>If the Series A1 PTCs are not listed on the Stock Exchange within a maximum period of 3 (Three) working days from the Issue Closing Date, a penal interest calculated on the principal outstanding of the Series A1 PTCs at the rate of 1% (One Percent) per annum which shall be payable, over and above the Series A1 PTCs Yield rate from the Deemed Date of Allotment until the listing of such Series A1 PTCs, to the Investors.</p> <p>b) Conditions of remaining listed:</p> <p>The Issuer shall ensure that the Series A1 PTCs are in compliance with the SEBI PTC Listing Regulations, as amended from time to time.</p> <p>c) Consequence of de-listing:</p> <p>In the event the Series A1 PTCs are de-listed by Stock Exchange, the Issuer shall ensure that the PTCs are re-listed within 2 (Two) Business Days from the date of such de-listing by the Stock Exchange.</p>
Rating Agency	CRISIL Ratings Limited
Series of securitised debt instruments	Series A1 PTCs
Day Count Convention	Actual/ 365
	Series A1 PTC
Seniority	Senior
Face Value of each PTC	Re. 1/- (Rupee One only)
Initial Rating	AAA (SO)



Series A1 Final Maturity Date	March 17, 2028
Series A1 Expected Maturity Date	May 17, 2027
Expected Series A1 Yield	8.75% (Eight Decimal Point Seven Five Percent) p.a.p.m
Payment Schedule	As set out in Annexure 2 hereto.
Expected Payment Schedule	As set out in Annexure 2 hereto.
Promised Payment Schedule	As set out in Annexure 2 hereto.
First Payout Date	December 17, 2023
Portfolio Audit	All the necessary documents for a sample audit would be available to the independent auditor for KYC verification and the costs would be borne by the Seller.
Eligibility Criteria for the Receivables	As set out in the rating rationale issued by the Rating Agency, annexed hereto as Annexure 4 and as set out in Paragraph 6.1 below.
Minimum Holding Period	<p>Each of the Loans has a monthly repayment frequency. None of the Loans have an original tenure exceeding 107 (One Hundred and Seven) months.</p> <p>i. All Loans which have an original tenure of up to 24 (twenty four) months have been held in the books of the Seller for at least 3 (Three) months from the date on which: (A) the registration of the security interest created for the relevant Loan with Central Registry of Securitisation Asset Reconstruction and Security Interest of India has been done; or (B) the first instalment of the relevant Loan has been repaid, as the case may be; and</p> <p>ii. All Loans which have an original tenure of more than 24 (twenty four) months have been held in the books of the Seller for at least 6 (Six) months from the date on which: (A) the registration of the security interest created for the relevant Loan with Central Registry of Securitisation Asset Reconstruction and Security Interest of India has been done; or (B) the first instalment of the relevant Loan has been repaid, as the case may be,</p> <p>and therefore these Loans have been held on the books of the Seller for the minimum holding period as stipulated under the RBI Securitisation Guidelines.</p>
Minimum Retention Requirement	The Originator is maintaining 10% (Ten Percent) of the principal portion of the Receivables as MRR
Details of Transaction Documents	<p>For the purposes of the Transaction, the following documents shall be considered to be material and may be inspected during the normal business hours at the registered offices of the Trustee during the offer period:</p> <p>(a) Trust Deed (b) Deed of Assignment (c) Power of Attorney</p>
Applicable Law and Jurisdiction	The Certificates are governed by and will be construed in accordance with existing Indian laws and will be subject to the non-exclusive jurisdiction of the courts and tribunals at Mumbai.
Waterfall Mechanism	As set out under the entry <i>Payment Waterfall</i> in Clause 2.3 of Chapter 2 of this Information Memorandum.



5.3 OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

There are no outstanding litigations against the Obligors / Trustee or any material development in relation to the Obligors / Trustee which may impact the realisation of the Receivables.

5.4 OTHER REGULATORY AND STATUTORY DISCLOSURES

All material regulatory and statutory obligations have been or shall be fulfilled within the required time frame.

5.5 FEES PAID

The Assignor shall pay to the Trustee a one-time fee, on the date of execution of the Deed of Assignment, as may be mutually agreed upon. The subsequent fees of the Trustee shall be borne out of the Trust.

The Servicer shall be paid 0.25% (Zero Decimal Point Two Five percent) of the principal and interest Receivables to be collected in every Collection Month, as per the Waterfall Mechanism.

5.6 TAXES PAID

Stamp duty and all statutory taxes duly paid.

5.7 MATERIAL DOCUMENTS

For the purposes of the Transaction, the following documents shall be considered to be material and may be inspected during the normal business hours at the registered offices of the Trustee during the offer period:

- (a) Trust Deed
- (b) Pass Through Certificate
- (c) Deed of Assignment
- (d) the Power of Attorney
- (e) Constitutional documents of the Trustee
- (f) Board and shareholders Resolutions of the Originator and Borrower(s).
- (g) The audited accounts of the Originator or, where it has subsidiaries, the consolidated audited accounts of the Originator and its subsidiaries for each of the 3 (Three) financial years preceding the publication of the offer document, including, all notes, reports or information required by the Companies Act, 1956 (1 of 1956) to be annexed or attached thereto.
- (h) Agreement with Depositories (NSDL & CDSL).

5.8 LIQUIDITY SHORTFALLS

If there are defaults in the pool, any liquidity shortfalls below the scheduled payout, to the extent of shortfall, EIS amount shall be utilised first and then Cash Collateral will be utilised.

5.9 ACCUMULATION OF SURPLUSES

If there are no defaults in pool, any surpluses over and above scheduled Payout amount will be transferred to the Seller on a monthly basis in accordance with the Waterfall Mechanism as set out in the Trust Deed.



After all the Investor Payouts are made to the Investors and all amounts drawn from the external Credit Enhancement has been repaid in full, the balance amounts lying in the Collection and Payout Account as well as the outstanding Receivables and all right title and interest in relation thereto shall belong to the Seller.

5.10 DETAILS OF ANY OTHER ARRANGEMENTS UPON WHICH PAYMENTS OF INTEREST AND PRINCIPAL TO THE INVESTORS ARE DEPENDENT

If there are defaults in the pool, any liquidity shortfalls below the promised payout, to the extent of shortfall, EIS shall be utilised first, then Cash Collateral will be utilised. In such cases, the principal and interest payments on the PTCs shall be supplemented through the Credit Enhancement arrangement put in place by the Seller.

5.11 MATERIAL FEATURES OF THE ASSET POOL SUCH AS DEFAULT RATE, LOSS RATE, RECOVERY RATE, DELINQUENCY RATE (BY BUCKETS SUCH AS 30 DPD; 60 DPD; 90 DPD, ETC), PREPAYMENT RATE, ETC.

Nil

5.12 SENSITIVITY OF THE CASH FLOWS AND YIELDS ON DIFFERENT CLASSES TO THE CHANGES IN THE ABOVE ASSUMPTIONS, INCLUDING EXPECTED MATURITY.

Nil

5.13 MAJOR REPRESENTATIONS AND WARRANTIES CONTAINED IN THE DOCUMENT WHEREBY THE DEBT OR RECEIVABLES HAVE BEEN ASSIGNED.

Representations and Warranties of the Seller

The Seller represents and warrants that as of the date hereof:

- (a) The Seller is a company duly organised and validly existing under law and the Seller is duly qualified, licensed, and authorised to do and carry on its business;
- (b) The Transaction Documents have been duly and validly and adequately stamped, executed and delivered by the Seller and constitutes a legal and binding obligation of the Seller enforceable against the Seller in accordance with its terms;
- (c) All the necessary board and shareholder authorizations have been obtained by the Seller for the execution of the Transaction Documents and with respect to the transaction contemplated hereunder. Further, no special resolution is required to be passed by the Seller under Section 180 of the Companies Act, 2013 with respect to the transaction contemplated hereunder;
- (d) The representatives of the Seller who are and have been involved in the negotiation of this transaction and who are signing on behalf of the Seller are duly authorised to make, execute and sign the same in the name of the Seller;
- (e) The executants of the Loan Agreements on behalf of the Seller have been duly empowered and authorized to execute the same and to perform all the Seller's obligations in accordance with the terms set out therein. The Seller further confirms that the executants of the Loan Agreements on behalf of the Obligors were also duly authorised and empowered to execute the said Loan Agreements Each Loan Agreement is a valid and legal binding obligation of the Seller,



enforceable without any default, defence, set-off, claim, deduction or counterclaim in accordance with the terms of the respective Loan Agreement and Underlying Security;

- (f) The execution, delivery and performance by the Seller of the Transaction Documents and the acts and transactions contemplated thereby do not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent under or result in a breach of or default under;
- (i) Any license, authorization or law to which the Seller is subject; or
 - (ii) any term in the constitutional documents of the Seller; or
 - (iii) any order, judgement, ruling, award, or decree applicable to the Seller; or
 - (iv) any term, condition, covenant, undertaking, agreement or other instrument to which the Seller is a party or by which the Seller is bound;
- (g) The Seller is in a position to observe, comply with and carry out all its responsibilities and obligations hereunder, in accordance with the terms of the Transaction Documents and the SEBI PTC Listing Regulations (as applicable).
- (h) The Seller is the full and absolute legal and beneficial owner of the Assets and has a clear and marketable title thereto clear and free from any and all Encumbrances, set-off, counter-claims, impediments, charges or claims except for such rights created in favour of the Trust in terms of the Transaction Documents and the Seller has not created any charge, pledge, hypothecation or any other encumbrance of any nature whatsoever or any third-party interest whatsoever whether by way of sale, transfer, assignment or as security interest or otherwise in or upon the Assets;
- (i) The Seller has full and absolute right and interest and full power to sell, transfer and assign the Assets to the Issuer without any permission, authorisation, impediment, restriction, limitation of any nature whatsoever and without any requirement of providing any notice to the Obligors and wherever required, the Seller has obtained the consent of the Obligors;
- (j) None of the Loan Agreements restrict, limit, or otherwise prevent or would restrict limit or prevent the Seller from transferring, assigning or otherwise disposing of, whether absolutely, contingently or otherwise to the Issuer, any of its rights, title, or interest thereunder including any rights in relation to Underlying Security;
- (k) Each of the Underlying Documents are duly executed by the Seller in compliance with all applicable laws, regulations and rules and the required amount of stamp duty and all other dues, duties, taxes and charges payable in respect of each of the Underlying Documents and their delivery there under and all documents connected therewith have been paid, each of them is legally valid and binding and enforceable against the parties thereto in accordance with the terms thereof, except to the extent such enforcement is limited by the operation of law, and none of the Underlying Documents restrict, limit or otherwise prevent the Seller from transferring, assigning or otherwise disposing of, whether absolutely, contingently or otherwise, any of its rights, title or interest there under including any Underlying Security created by any Obligor for securing any of their obligations thereunder;
- (l) The Seller has complied with all the extant guidelines issued by Reserve Bank of India pertaining to "know your customer" and anti-money laundering, with respect to each of the Obligors and that none of the Obligors appear on Reserve Bank of India's list of defaulters;



- (m) The Seller represents that it has held the Loans for the Minimum Holding Period in its books and has also complied with all the regulatory requirements for securitisation of loans including but not limited to MHP and the requirements pertaining to the accounting of profit/ loss on the securitisation of Loans as stipulated in the RBI Securitisation Guidelines;
- (n) The Seller does not belong to the same group as the Trustee or is not under the same management as the Trustee, within the meaning of the SEBI PTC Listing Regulations;
- (o) No material adverse effect has occurred prior to, and as on, the date of execution of the Transaction Documents, which would affect the operations, financial condition, or prospects of the Seller and impair the Seller from performing its obligations under the Transaction Documents;
- (p) The Underlying Documents to which the Seller is a party have not been terminated by the parties thereto and the Underlying Security has not been terminated or withdrawn by any of the Obligor;
- (q) No imposts, duties and taxes have been levied on the Seller up to the Cut-off Date, by any statutory or regulatory authority with respect to the Receivables.
- (r) The Loans have not been rescheduled or restructured by the Seller up to the Cut-off Date. The Obligor has not sought re-schedulement of the principal amount due under the Loan Agreement or restructuring of principal payments on the Loan from the Seller up to the Cut-off Date.
- (s) There are no legal proceedings initiated by the Seller, which are either existing or pending in relation to the Assets. Further, to the best of the knowledge of the Seller there are no legal proceedings existing or pending against the Assets including without limitation any counterclaims or claims by the Obligor or any statutory authority or pending against the Seller which may materially affect the due performance, validity or enforceability of the Transaction Document or any obligation, act, omission or transaction contemplated hereunder or under any other Transaction Document. The Seller has not received any notice of, nor is there any valid basis for any claim or assertion of liability against the Seller relating to any Asset or the acquisition, collection or administration thereof;
- (t) All information set forth in the Transaction Documents, and all information furnished and/or to be furnished by the Seller to the Issuer, the Rating Agency and the Trustee under the terms of the Information Memorandum and the other Transaction Documents, is and will be true, and correct in all respects and was not / is not / will not be misleading whether by reason of omission to state a material fact or otherwise;
- (u) All Underlying Documents pertaining to the Receivables entered into by the Seller have been in the ordinary course of business and each Loan given under a Loan Agreement conforms to the credit criteria adopted by the Seller in the ordinary course of its business at the time of its grant;
- (v) The Seller has with respect to each Loan given pursuant to relevant Loan Agreement, a valid and enforceable first priority perfected security interest in the Underlying Assets securing such Loan. All perfection requirements under all applicable laws have been effected;
- (w) With respect to the Assets, the Seller hereby represents and warrants that:
(i) With respect to each Loan Agreement there is only 1 (one) original with the Obligor;



- in respect of such Loan and the same is in the possession of the Seller;
- (ii) The Loan Agreements comprise of loan facilities granted by the Seller against security of the Underlying Assets;
 - (iii) All Loans have been fully disbursed by the Seller;
 - (iv) The Underlying Security for any Loan is not shared by any other loan provided by the Seller;
 - (v) The Loan Agreements have all been originated by the Seller;
 - (vi) Other than the hypothecation / pledge created over the Underlying Assets to secure the Loans, no further hypothecation or Encumbrances have been created over any of the Underlying Assets;
- (x) Each of the Loans comply with the key pool selection criteria set out in Annexure 4 hereto and more particularly in Clause 6.1;
- (y) In relation to each Loan, the Seller has applied the same sound and well-defined criteria for credit underwriting as are applied to loans which are held on the books of the Seller;
- (z) No Obligor is entitled to and/or will not be entitled to any right of set-off, counterclaim, deduction, recoupment, recovery, recourse or rescission under the Loan Agreements or under any other agreement(s) between the Obligor(s) and the Seller or exercise any right of recourse in terms of the Loan Agreements and in the event of any breach of this representation on the part of the Seller, the Seller undertakes to make good such amount of the Receivables as has been impaired;
- (aa) All the Underlying Assets are insured at the time of Loan disbursal. For renewal of insurance, the Seller ensures that as part of the agreement between the Seller and the Obligor, the Obligor is required to keep the Underlying Assets insured during the time the loan remains outstanding;
- (bb) To the best of the Seller's knowledge, the endorsement on registration books (wherever applicable) relating to the Underlying Assets are adequate and complete and all such documentation will be with the Servicer.
- (cc) The Seller has made/will make available to the Due Diligence Auditor all information necessary for him to prepare the report pertaining to the existence of the Receivables, the adequacy of the documentation pertaining to the Receivables and any other information sought by the Issuer;
- (dd) The Seller is aware and acknowledges that the Issuer has entered into the Transaction Documents and the Issuer has agreed to purchase the Assets on the basis of and relying upon the Seller's representations, warranties, statements, covenants, agreements and undertaking on the part of the Seller contained in the Transaction Documents; and the Issuer would not have done so in the absence of such representations, warranties, statements, covenants, agreements and undertakings by the Seller.
- (ee) As on the date there are no defaults in payment by the Obligors;
- (ff) The Seller has made the necessary disclosures as required by the RBI Securitisation Guidelines;
- (gg) The Seller represents that the present securitisation activity is not prohibited under the RBI Securitisation Guidelines and is fully compliant with the terms of the RBI Securitisation Guidelines;



- (hh) The Seller or any of its associates do not exercise control over the Trustee; and
- (ii) The Seller represents that the Credit Enhancement provided by the Seller complies with the MRR criteria as specified in the extant RBI Securitisation Guidelines (as amended from time to time).

Representations and Warranties of the Trustee

The Trustee hereby represents and warrants as follows:

- (a) the Trustee is a limited liability company duly organised, validly existing and in good standing under the laws of India and is qualified to act as a Trustee in terms of the applicable SEBI PTC Listing Regulations and is duly qualified and licensed to do business in each jurisdiction in which the character of its properties or the nature of its activities requires such qualifications;
- (b) the Trust Deed has been duly and validly executed and delivered by the Trustee and the Trust Deed constitutes a legal and binding obligation of the Trustee enforceable against the Trustee in accordance with the terms herein;
- (c) the Trustee has full corporate power and authority to enter into the Trust Deed and to take any action and execute any documents required by the terms hereof and that the Trust Deed entered into and have been duly authorised by all necessary corporate proceedings;
- (d) there exists no consent, approval, order, registration or qualification of, or with, any court or regulatory authority or other governmental body having jurisdiction over the Trustee, the absence of which would adversely affect the legal and valid execution, delivery and performance by the Trustee of its obligations under the Trust Deed;
- (e) neither the execution and delivery of the Trust Deed nor the fulfilment of or compliance with the terms and conditions of the Trust Deed, conflict with or result in a breach of or a default under any of the terms, conditions or provisions of any legal restriction (including, without limitation, any judgement, order, injunction, decree or ruling of any court or governmental authority, or any federal, state, local or other law, statute, rule or regulation) or any covenant or agreement or instrument to which the Trustee is now a party, or by which the Trustee or any of the Trustee's property is bound, nor does such execution, delivery, consummation or compliance violate or result in the violation of the Trustee's Certificate of Incorporation, Memorandum and Articles of Association; and
- (f) the Seller or any of its associates does not exercise control over the Trustee.

5.14 DECLARATION ABOUT THE POSSIBILITY OF PREMATURE WINDING UP OF THE SCHEME IN CASE OF PREPAYMENTS

Upon full Prepayment of the Loans by Obligor and relevant amounts being deposited into the CPA and then paid to the Investor on the succeeding Payout Date, the scheme shall be prematurely terminated.

5.15 TERMS OF PAYMENT AND CASHFLOW, DISTINGUISHING, WHERE APPROPRIATE, ALLOCATION OF REVENUE RECEIPTS AND PRINCIPAL RECEIPTS

Please refer to **Annexure 2** hereto

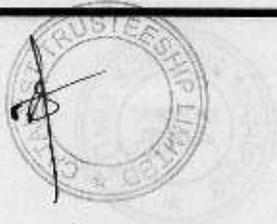


CHAPTER 2. THE RECEIVABLES

POOL DEFINITION CRITERIA

1. All the loans have been deposited in a trust set up by the Assignor and the trust vehicle has not been dissolved by the Assignor as of the 31st of Date.
2. All loans are denominated in Indian Rupees.
3. All the loans are current as on the Cut-Off Date.
4. All the loans are current as on the date of documentation.
5. The weighted average interest period of Assignor is the basis of the Date as per the Co-Of-Date's 102 (The Current Pool Term) matrix.
6. All the loans with a floating period of 3 (Eight) months are above as on the Cut-Off Date.
7. None of the loans have an original term exceeding 107 (Ten) months (Current Pool Term) matrix.
8. Current loan to value does not exceed 95% (Twenty Five Percent) as on the date of Cut-Off Date.
9. None of the loans have a residual term exceeding 33 (Thirty Three) months as on the Cut-Off Date.
10. The borrower holding period as mentioned under the 95% (Twenty Five Percent) matrix has been determined by the Date with respect to each loan to the nearest quarter.
11. All loans which have a term of up to 24 (Twenty Four) months have been included in the pool as of the date of the Date (Term) matrix. The date to which is the reference of the matrix is the date of the Date with the Central Registry of Documentation and Security Interest (CERSI) has been done or (ii) the last payment of the loan (whichever is earlier) as the case may be.
12. All loans which have a term of up to 24 (Twenty Four) months have been included in the pool as of the date of the Date (Term) matrix from the date of when (i) the registration of the security interest is done with the CERSI has been done, or (ii) the last payment of the loan has been made, as the case may be.
13. None of the loans have a maturity of less than 365 (Three Hundred and Sixty Five) days.
14. The weighted average residual term of the loans does not exceed 32 (Thirty Two) months.
15. Date and exact any notice that the Date has been served on the Current Pool Section 13B of the Assignor's instrument for 180 (One Hundred and Eighty) days has not related to any responsive action against any of the Current Pool.
16. The interest rate of each loan is within 25% (Twenty Five Percent).
17. None of the loans involve any payment made or any assignment or restricted asset.
18. None of the loans involve any contract as on the Cut-Off Date.
19. There are no pending disputes on the part of Date to be performed under the loan agreement.
20. All loans have been fully disbursed by the Date and no substantial contract have been entered into by the Date.
21. The loan to value ratio of each loan does not exceed 95% (Twenty Five Percent) as on the Cut-Off Date.
22. The weighted average residual term of the loans does not exceed 32 (Thirty Two) months.
23. The loans have not been terminated or repudiated as on the Cut-Off Date.
24. The Date has complied with all the external conditions issued by RBI pertaining to flow back instrument (KYC) with respect to each of the Current Pool.
25. No security deposits have been taken or security is taken in any of the loans.

A.I.Z.



CHAPTER 6: THE RECEIVABLES

6.1 POOL SELECTION CRITERIA

1. All the Loans have been disbursed at a fixed rate of interest by the Assignor and the rate of interest has not been downgraded by the Assignor as of the Cut-off Date;
2. All Loans are denominated in Indian Rupees;
3. All the Loans are current as on the Cut-Off Date;
4. All the Loans are current as on the date of disbursement
5. The weighted average holding period of Assets in the books of the Seller, as on the Cut-off Date is 10.2 (Ten Decimal Point Two) months;
6. All the loans with a holding period of 8 (Eight) months and above, as on the Cut-off Date
7. None of the Loans have an original tenure exceeding 107 (One Hundred and Seven) months;
8. Current Loan to value does not exceed 95% (Ninety Five Percent) (based on loan value as of Cut-off Date);
9. None of the Loans have a residual tenure exceeding 52 (Fifty Two) months, as on the Cut-off Date;
10. The Minimum Holding Period as prescribed under the RBI Securitisation Guidelines have been met by the Seller with respect to each Loan in the manner described below:
 - a. all Loans which have a tenure of up to 24 (Twenty Four) months, have been held by the Assignor in its books for at least 3 (Three) months from the date on which: (i) the registration of the security interests created for the relevant Loan with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) has been done; or (ii) the first instalment of the relevant Loan has been repaid, as the case may be;
 - b. all Loans which have a tenure of exceeding 24 (Twenty Four) months, have been held by the Assignor in its books for at least 6 (Six) months from the date on which: (i) the registration of the security interests created for the relevant Loan with the CERSAI has been done; or (ii) the first instalment of the relevant Loan has been repaid, as the case may be;
11. None of the Loans have a residual tenure of less than 365 (Three Hundred and Sixty Five) days;
12. The weighted average residual tenure of the Loans does not exceed 38 (Thirty Eight) months;
13. Save and except any notices that the Seller may have served on the Obligors under Section 138 of the Negotiable Instruments Act, 1881, the Seller has not initiated legal or repossession action against any of the Obligors;
14. The internal rate of return of each Loan is within 23% (Twenty Three Percent);
15. None of the Loans comprise of non-performing assets or any rescheduled or restructured assets;
16. None of the Loans have any overdue as on the Cut-Off Date;
17. There are no outstanding obligations, on the part of Seller, to be performed under the Loan Agreements;
18. All Loans have been fully disbursed by the Seller and no fraudulent transactions have occurred in relation to the Loans;
19. Under each Loan, the principal amount securitised does not exceed Rs. 42,39,600/- (Rupees Forty Two Lakh Thirty Nine Thousand and Six Hundred Only);
20. The average loan outstanding as on Cut-off Date is Rs. 4,39,894.06/- (Rupees Four Lakh Thirty Nine Thousand Eight Hundred Ninety Four and Paise Six only);
21. The Loans have not been terminated or repaid and were existing on the Transfer Date;
22. The Seller has complied with all the extant guidelines issued by RBI pertaining to 'know your customer' (KYC), with respect to each of the Obligors.
23. No security deposits have been taken as security in relation to any of the Loans.



CHAPTER 7: PARTIES TO THE TRANSACTION AND RESPECTIVE ROLES

(gathered from publicly available information)

7.1 PROFILE OF THE SELLER / ORIGINATOR / SERVICER

(a) Name, description, principal business activities and brief history of operation of the originator

Overview

The Company is registered as a deposit-taking non-banking financial company ("NBFC") with the Reserve Bank of India ("RBI") under Section 45-IA of the Reserve Bank of India Act, 1934. Shriram Finance Limited is the country's biggest retail NBFC offering credit solutions for commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal and small enterprise/ micro, small and medium enterprises ("MSME") loans, and a large fixed deposit franchise Pan-India. We are part of the 48-year-old Shriram Group, a financial conglomerate that has emerged as a trusted partner in creating transformative experiences and lasting impressions in customers' lives. Our Company (erstwhile Shriram Transport Finance Company Limited) was incorporated as a public limited company under the provisions of the Companies Act, 1956, by a certificate of incorporation dated June 30, 1979, issued by the Registrar of Companies, Tamil Nadu ("ROC"). Our Company commenced its operations, pursuant to a certificate of commencement of business dated October 9, 1979. Subsequently, our Company has obtained a certificate of registration dated September 4, 2000 bearing registration no. A-07-00459 issued by the RBI to carry on the activities of a NBFC under section 45-IA of the Reserve Bank of India Act, 1934, which has been renewed on April 17, 2007 (bearing registration no. 07-00459).

Shriram City Union Finance Limited and Shriram Capital Limited merged with Shriram Transport Finance Company Limited whose name has been changed to Shriram Finance Limited. Powered by cutting-edge technology, Shriram Finance Limited is a digitally mature financial institution that reflects the banking needs of Millennial and Gen-Z customers. The Company offers priority financial services to those in the unbanked and underbanked sectors, expanding our innovative product pipeline at every stage of disruption. The Company has over 7.324 million customers and has an AUM of over INR 1.85 trillion. Shriram Finance has branches, rural centres and outlets in 3,600+ locations and an employee strength of over 60,000 across India as of March 31, 2023. Our Company is also registered with Insurance Regulatory and Development Authority of India as a corporate agent to deal in general insurance and life insurance since 2013

Our network of branches across India has been a key driver of our growth over the years. As of March 31, 2023, we had 2922 branches across India. We have also established our presence in 732 rural centres as of March 31, 2023. We have also strategically expanded our marketing network and operations by entering into revenue sharing agreements with more than 500 private financiers in the unorganised sector involved in commercial vehicle financing. As of March 31, 2023, the total number of our employees was 64,052

Our AUM as of March 31, 2023 was Rs. 1,85,682.86 Crore on a standalone basis. Our capital adequacy ratio as of March 31, 2023 computed on the basis of applicable RBI requirements was 22.61% on standalone basis, compared to RBI stipulated minimum requirement of 15.00%. Our capital adequacy ratio as of March 31, 2022 computed on the basis of applicable RBI requirements was 22.97% on a standalone basis, compared to the RBI stipulated minimum requirement of 15.00%. Our Stage 3 Assets as a percentage of Total Loan Assets was 6.21% and our Stage 3 Assets net of Stage 3 Provision as a percentage of Net Loan Assets was 3.19% as of March 31, 2023, compared to 7.07% and 3.67% as of March 31, 2022 on a standalone basis, respectively

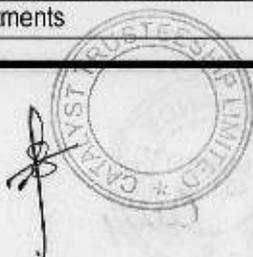
A summary of our key operational and financial parameters derived from our Standalone Financial Statements are as follows:



Key Operational and Financial Parameters for the last 3 audited years (standalone basis)

A summary of our key operational and financial parameters derived from Ind AS financial statements on a standalone basis for the latest year ended on March 31, 2023, Fiscal 2022 and Fiscal 2021 are as follows*:

Parameters	As on June 30, 2023	Fiscal year 2023	Fiscal year 2022	Fiscal year 2021
Balance Sheet				
Total Financial assets	203127.5	1,97,385.68	1,40,280.34	1,28,219.81
Total Non-financial assets	6372.58	6,278.18	1,825.75	1,459.05
Total Assets	209500.08	2,03,663.86	1,42,106.09	1,29,678.86
Total Financial liabilities	163889.93	1,59,785.10	1,15,874.48	1,07,766.67
Total Non-financial liabilities	683.97	572.12	299.42	343.82
Equity (equity and other equity)	44926.18	43,306.64	25,932.19	21,568.37
Total equity and liabilities	209500.08	2,03,663.86	1,42,106.09	1,29,678.86
Profit and Loss				
Total revenue	8004.6	29,802.89	19,274.23	17,436.40
From operations	7999.45	29,772.16	19,255.17	17,420.45
Other income	5.15	30.73	19.06	15.95
Total Expenses	5756.98	21,618.00	15,724.98	14,158.39
Total Comprehensive Income	1598.67	5,953.52	2,585.13	2,394.24
Other comprehensive income	(76.77)	(25.82)	(122.80)	-93.02
Profit / loss	2247.62	8,184.89	3,549.25	3,278.01
Profit / loss after tax (including Share of profit of associate)	1675.44	5,979.34	2,707.93	2,487.26
Earnings per equity share (face value Rs. 10/- per equity share)				
Basic (Rs.)	44.73	159.69	101.74	100.97
Diluted (Rs.)	44.55	158.99	101.74	100.97
Cash Flow				
Net cash generated from operating activities		-15,841.34	-8,859.02	-4,238.76
Net cash used in / generated from investing activities		-180.06	-34.33	-24.89
Net cash used in financing activities		9,646.84	8,504.86	12,225.59
Cash and cash equivalents at the beginning of the year / period		10,662.44	11,050.93	3,088.99
Cash and cash equivalents at the end of year / period		9,505.30	10,662.44	11,050.93
Additional information				
Net worth (1)	44,821.61	43,202.07	25,905	21,541
Cash and cash equivalents	7,397.06	9,505.30	10,662.44	11,050.93
Investments	8,333.93	8,565.06	6,809.16	3197.85



Parameters	As on June 30, 2023	Fiscal year 2023	Fiscal year 2022	Fiscal year 2021
Asset Under Management as per Ind AS (2)	1,93,215	1,85,682.86	1,27,041	1,17,243
Off-balance sheet assets as per Ind AS (3)	2,493	2344.44	1,342	1,051
Total Borrowings	1,61,946.56	1,57,906.29	1,14,496.71	1,06,196.41
Interest Income	7,687.95	28,607.36	18,646.26	17,128.14
Finance Costs	3,487.54	12,545.76	9,734.31	9,054.26
Total Debts to Total assets	0.77	0.78	0.81	0.82
Debt Service Coverage Ratio	NA	NA	NA	N.A.
Interest service coverage ratio	NA	NA	NA	N.A.
Impairment on financial instruments	878.61	4,159.17	3,860.86	3,118.40
Bad debts to Account receivable ratio	NA	NA	NA	N.A.
Stage 3 Assets as a percentage of Total Loan Assets as per Ind AS (gross of Provisions) (per cent.) (4)	6.03%	6.21%	7.07%	7.14%
Stage 3 Asset net of Stage 3 Provision as a percentage of Net Loan Assets as per Ind AS (per cent.) (5)	2.96%	3.19%	3.67%	4.26%
Tier I Capital Adequacy Ratio (per cent.)	21.27%	21.20%	20.70%	19.94%
Tier II Capital Adequacy Ratio (per cent.)	1.13%	1.41%	2.27%	2.56%

*Please note that the above disclosures are made basis the financial statements prepared as per the IND AS requirements.

Note - (1) The figures for the period after the appointed date for the merger of STFC and the Merged Entities (i.e. April 01, 2022) have been restated to take the effect of merger and are therefore not comparable with figures of STFC for the corresponding previous year periods or previously reported figures of STFC for the said quarters.

(2) SFL means Shriram Finance Limited

(3) STFC means Shriram Transport Finance Company Limited

(4) Merged Entities means Shriram Capital Limited and Shriram City Union Finance Limited

Notes:

(1) 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, 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.

(2) Asset Under Management as per Ind AS: Total loan assets and loan assets assigned, which continue to be serviced by the transferor.

(3) Off-balance sheet assets as per Ind AS: Hypothecation loans assigned till date, which continue to be serviced by the transferor.

(4) Stage 3 Assets as a percentage of Total Loan Assets as per Ind AS (gross of Provisions): Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS.

(5) Stage 3 Assets net of Stage 3 Provision.

Our Company's Financial Products



We provide housing finance loans through our subsidiary Shriram Housing Finance Limited, which is registered as a non-deposit accepting housing finance company with the National Housing Bank. We grant housing finance loans for buying, renovating, extending and improving homes.

Miscellaneous

Our Company is also registered with the IRDAI as a corporate agent. Our Company deals in life insurance and general insurance products. Our Company has entered into agreements with Shriram General Insurance Company Limited ("SGIC"), Bajaj Allianz General Insurance Company Limited ("BAGICL") and Go Digit General Insurance Limited ("Go Digit") whereby the Company is appointed as their 'corporate agent' and is authorised to market and solicit insurance products provided by SGIC, BAGICL and Go Digit to its customers and clients subject to the limits prescribed and on the terms and conditions agreed to between the parties.

OUR COMPANY'S OPERATIONS

Branch Network

As of March 31, 2023, we have a wide network of 2,922 branches across India and 64,052 employees. We have established branches at commercial vehicle hubs along various road transportation routes across India. As of March 31, 2023, all of our branch offices were connected to servers at our corporate office to enable real-time information with respect to our loan disbursement and recovery administration. Our customer origination efforts strategically focus on building long term relationships with our customers and address specific issues and local business requirements of potential customers in a specific region

Revenue Sharing Agreements with Private Financiers

We believe that SRTOs and FTBs in India generally have limited banking habits and credit history as well as inadequate legal documentation for verification of creditworthiness. In addition, because of the mobile nature of the hypothecated assets, SRTOs and FTBs may have limited access to bank financing for pre-owned and new commercial vehicle financing. As a result, the pre-owned truck financing market in India is dominated by private financiers in the unorganised sector. We have strategically expanded our marketing and customer origination network by entering into revenue sharing agreements with more than 500 private financiers, as of March 31, 2023, located across India involved in commercial vehicle financing. We have established a stable relationship with our revenue sharing partners through our extensive branch network. As a result of the personnel-intensive requirements of our business model, we rely on revenue sharing arrangements to effectively leverage the local knowledge, infrastructure and personnel base of our revenue sharing partners.

In our typical revenue sharing agreements with our revenue sharing partners, we ensure that the revenue sharing partner sources the applications for pre-owned and new commercial vehicle financing based on certain assessment criteria we specify, and is generally responsible for ensuring the authenticity of the customer information and documentation. The decision to approve a loan is, however, at our discretion.

Our Company's Operations

Branding/ advertising

We use the brand name "Shriram" for marketing our products pursuant to a license agreement dated November 21, 2014 between our Company and Shriram Ownership Trust ("SOT"), as amended in terms of agreement dated March 18, 2016 and novated in terms of the deed of novation cum amendment dated May 17, 2019 entered into between our Company, SOT and Shriram Value Services Limited ("SVS"). We believe that our brand is well recognised in India. We have launched various publicity campaigns through print and other media specifically targeted at our target customer profile to create awareness of our product features, including our speedy loan



approval process, with the intention of creating and enhancing our product identity. We believe that our emphasis on product promotion will be a significant contributor to our results of operations in the future.

Customer Evaluation, Credit Appraisal and Disbursement

Due to our customer profile, in addition to a credit evaluation of the borrower, we rely on guarantor arrangements, the availability of security, referrals from existing relationships and close client relationships in order to manage our asset quality. All customer origination and evaluation, loan disbursement, loan administration and monitoring as well as loan recovery processes are carried out by our relationship executives. We do not utilise or engage direct selling or other marketing and distribution agents or appraisers to carry out these processes. We follow certain procedures for the evaluation of the creditworthiness of potential borrowers. The typical credit appraisal process is described below:

Initial Evaluation

When a customer is identified and the requisite information for a financing proposal is received, a branch manager or relationship executive meets with the customer to assess the customer's loan requirements and creditworthiness. The proposal form requires the customer to provide information on the customer's age, address, employment details and annual income, as well as information on outstanding loans. The customer is required to provide proof of identification and residence for verification purposes. In connection with the loan application, the customer is also required to furnish a guarantor, preferably an existing or former customer, wherever required. Detailed information relating to the guarantor is also required.

Credit Policies

We follow stringent credit policies to ensure the asset quality of our loans and the security provided for those loans. Any deviation from such credit policies in connection with a loan application requires prior approval. Our credit policies include the following:

In connection with any secured retail or small enterprise loan (other than loans secured by gold), we generally require immovable or movable property to be provided as security for the value of the loan amount and conduct appropriate legal diligence and valuation of such properties. In cases where the borrower is unable to provide property as security, the borrower is required to furnish a guarantee from an acceptable guarantor.

For our two-wheeler and vehicle loans, the two-wheeler or vehicle is hypothecated in favour of our Company until closure of the loan.

With respect to gold loans, the principal form of security we accept is gold ornaments. We typically do not extend loans against bullion, gold bars, coins or biscuits. The amount that we finance against gold is typically based on a fixed rate per gram of gold content in the jewellery. We appraise gold jewellery based on pre-defined policies and solely based on its gold content, without factoring in production cost, style, brand or value of any gemstones. Each business outlet offering gold loans has designated executives for gold appraisal who operate under a clear policy regarding their function and responsibilities. We generally lend between 50% and 60% of the price of gold as arrived at in line with the guidelines of RBI, and our loan amount is generally lower than the guidelines prescribed by RBI.

We finance vehicles that are used for commercial purposes. As these are income-generating assets, we believe that this asset type reduces our credit risk. Our loans include hypothecations in our favour. Loans must be secured by the personal guarantee of the borrower as well as at least one third party guarantor. The guarantor must be a commercial vehicle owner, preferably our existing or former customer, and preferably operating in the same locality as the borrower. Comprehensive insurance is required. We typically extend loans to vehicles that are less



than 12 years but age limit may vary as per usability in specific geographies.

The maximum period for repayment in case of assets shall not be more than 84 months. Security received from the borrower is released on repayment of all dues or on collection of the entire outstanding loan amount, provided no other existing right or lien for any other claim exists against the borrower.

Approval Process

The branch manager evaluates the loan proposal based on the creditworthiness of the borrower, proposed end use of the loan, reference from existing customer(s) and nature of security provided by the borrower. In addition, our branch managers may also consider other factors in the approval process such as the location and the time period of residence, subsisting liabilities, past repayment records, and sources of income.

The branch manager is authorised to approve a loan if the proposal meets the criteria established for the approval of a loan. We inform the customer of the outcome of the approval process, as well as the amount of loan approved, the terms and conditions of such financing, including the rate of interest (annualised) and the application of such interest during the tenure of the loan. A sanction letter is issued to the borrower incorporating all the financial details such as the loan amount, tenure and rate of interest and the loan disbursement takes place only on getting the sanction letter duly accepted by the borrower.

Prior to the loan disbursement, the loan officer ensures that a KYC checklist is completed by the Applicant. The loan officer verifies such information provided and includes such records in the relevant loan file. The loan officer is also required to ensure that the contents of the loan documents are explained in detail to the borrower, either in English or in the local language of the borrower, and a statement to such effect is included as part of the loan documentation. The borrower is provided with a copy of the loan documents executed by him.

Disbursement

Margin money and other charges are collected prior to loan disbursements. The disbursing officer retains evidence of the customer's acceptance of the terms and conditions of the loan as part of the loan documentation. Our Company has initiated steps to encourage the customers to make payments of loan instalments through internet banking and card payment.

Loan administration and monitoring

The borrower and the relevant guarantor are required to execute a standard form of Loan cum Hypothecation Agreement setting out the terms of the loan. A loan repayment schedule is attached as a schedule to the Loan cum Hypothecation Agreement, which generally sets out monthly repayment terms. The Loan cum Hypothecation Agreement also requires a promissory note to be executed containing an unconditional promise of payment to be signed by both the borrower and the relevant guarantor.

We provide payment options: cash, cheque, demand draft, mobile wallets, UPI, NACH and USSD. Repayments are made in monthly instalments. Loans disbursed are recovered from the customer in accordance with the loan terms and conditions agreed with the customer. As a service to our customers, our relationship executives offer to visit the customers on the payment date to collect the instalments due. We track loan repayment schedules of our customers, on a monthly basis, based on the outstanding tenure of the loans, the number of instalments due and defaults committed, if any. This data is analysed based on the vehicles financed and location of the customer.

Our management information system (MIS) department and centralised operating team monitors compliance with the terms and conditions for credit facilities. We monitor the completeness of documentation and creation of security through regular visits to our branches by our regional as well as head office executives and internal



auditors. All borrower accounts are reviewed at least once a year, with a higher frequency for larger exposures and delinquent borrowers. Our lending team reviews collections regularly, personally contacts borrowers that have defaulted on their loan payments and conducts day-to-day operations including collection of instalments from 150 to 200 borrowers each, depending on territorial dispersal. Each branch customarily limits its loans to reasonable numbers, which enables closer monitoring of receivables. A new branch is opened to handle additional customers beyond that limit to ensure appropriate risk management. Close monitoring of debt servicing efficiency enables us to maintain high recovery ratios.

Collection and Recovery

We believe that our loan recovery procedure is particularly well suited to our target market as reflected by our high loan recovery ratios. The entire collection operation is administered in-house and we do not outsource loan recovery and collection operations. In the case of default, the reasons for the default are identified by the local relationship executive and appropriate action is initiated, such as requiring partial repayment and/or seeking additional guarantees or collateral.

For every 30 days of delay in loan instalment payments, the matter is escalated to our branch managers. In the event of a default on three loan instalments, the branch manager is required to make a personal visit to the borrower to determine the gravity of the loan recovery problem and provide suitable solutions.

We may initiate the process for repossession of the vehicle in the event of a default. Branch managers are trained to repossess underlying asset and no external agency is involved in such repossession. Repossessed vehicles are held at designated secured facilities for eventual sale. The notice to the customer specifies the outstanding amount to be paid within a specified period, failing which the vehicle may be disposed of. In the event that there is a shortfall in the recovery of the outstanding amount from the sale of the vehicle, legal proceedings against the customer may be initiated. Same recovery process is followed for other Loans also.

Risk Management

We have developed a strong risk-assessment model in order to maintain healthy asset quality. The key risks and risk-mitigation principles we apply to address these risks are summarised below:

Interest Rate Risk

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Since our balance sheet consists of rupee assets and predominantly Rupee liabilities, movements in domestic interest rates constitute the primary source of interest rate risk. We assess and manage the interest rate risk on our balance sheet through the process of asset liability management. We borrow funds at fixed and floating rates of interest, while we extend credit at fixed rates. In the absence of proper planning and in a market where liquidity is limited, our net interest margin may decline, which may impact our revenues and ability to exploit business opportunities.

We have developed stable long-term relationships with our lenders and established a track record of timely servicing our debts. This has enabled us to become a preferred customer with most of the major banks and financial institutions with whom we do business. Moreover, our valuation capabilities enable us to invest in good quality assets with stable, attractive yields. Significantly, our loans are classified as priority sector assets by the RBI, such that these loans, when securitised, find a ready market with various financial institutions, including our lenders.

Liquidity Risk



Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk is minimised through a mix of strategies, including asset securitisation and assignment and temporary asset liability gap.

We monitor liquidity risk through our asset liability management (ALM) function with the help of liquidity gap reports. This involves the categorisation of all assets and liabilities into different maturity profiles and evaluating these items for any mismatches in any particular maturities, especially in the short-term. The ALM policy has capped the maximum mismatches in the various maturities in line with RBI guidelines and ALCO guidelines.

To address liquidity risk, we have developed expertise in mobilising long-term and short-term funds at competitive interest rates, according to the requirements of the situation. For instance, we structure our indebtedness to adequately cover the average three-year tenure of loans we extend. As a matter of practice, we generally do not deploy funds raised from short-term borrowing for long-term lending.

Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

Cash management risk

Our branches collect a substantial amount of our customers' payments in cash. Lack of proper cash management practices could lead to losses. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Customers are gradually migrating towards non-cash payment modes such as NACH and Digital. Customers can use "MyShriram" app on their smartphones or create a login under "Customer online" option on the Company website <http://www.stfc.in> and make loan repayments. We are educating our customers for EMI payment through payment gateways and payments through debit cards by swiping them in our POS machines at the branches.

Employees

As of March 31, 2023, the total number of our employees was 64,052. We have built a highly capable workforce primarily by recruiting fresh graduates. As our business model requires an entrepreneurial approach in dealing with truck operators, we prefer to recruit and train fresh graduates in achieving our objectives. Moreover, we prefer to recruit our workforce from the area in which they will be serving our customers, in order to benefit from the workforce's knowledge of the local culture, language, preferences and territory. We emphasise both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and our operations. Our relationship executives are responsible for customer origination, loan administration and monitoring as well as loan recovery, which enables them to develop strong relationships with our customers. We believe our transparent organisational structure ensures efficient

