SHRIRAM
Transport Finance Company Limited
A WINNING RELATIONSHIP

SEC/FILING/BSE-NSE/21-22/68A-B

December 13, 2021

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sirs,

Sub.: Outcome of Board Meeting held on December 13, 2021-Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") read with SEBI Circulars in this regard.

In compliance with Regulation 30 of the SEBI LODR read with SEBI Circulars, we inform the outcome of the meeting of the Board of Directors ("**the Board**") of Shriram Transport Finance Company Limited ("The Company") ("Transferee Company 2 or STFC") held today i.e. December 13, 2021.

Based on the review and recommendations of the Committee of Independent Directors and Audit Committee, the Board has considered and approved the Composite Scheme of Arrangement and Amalgamation (**the 'Scheme'**) under Section 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("**the Act**") and the Rules framed thereunder and applicable SEBI Circular.

The details as required under Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated 9 September, 2015 with regard to the Scheme is enclosed in Annexures 1, 2 and 3.

The Scheme, inter alia, provides for:

i) the amalgamation of Shrilekha Business Consultancy Private Limited (**"Transferor Company 1"** or **"SBCPL"**) with Shriram Capital Limited ("**Transferee Company 1" or "Demerged Company" or "Transferor Company 2" or SCL**");

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ii) the demerger of Financial Services undertaking, Life Insurance Undertaking and General Insurance Undertaking of SCL and the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited (**"Transferee Company 2 or STFC"**);

iii) the amalgamation of Shriram City Union Finance Limited (**"Transferor Company 3" or SCUF"**) with STFC.

iv) as part of the Scheme to amendment of Clause II of the Memorandum of Association for change of name of the Company and addition of Clause 14 and 15 to Clause III of Memorandum of Association ("MoA") on the Objects clause in the MoA of the Company .

The Scheme will be filed with the BSE Limited, National Stock Exchange of India Limited ("Stock Exchanges") as per the applicable provisions of Regulation 37 of the SEBI LODR. The Scheme is subject to the of approvals of the shareholders and approvals of others, if any and the regulatory authorities as may be required, including those of the Stock Exchanges, Securities and Exchange Board of India and the National Company Law Tribunal ("NCLT").

Keeping in view the rationale and objectives of the Scheme, the Board in its meeting held today also considered and approved the following:-,

(i) As part of the Scheme, subject to requisite regulatory approvals, change in name of the Company to Shriram Finance Limited or such other name as may be made available/approved by the appropriate regulatory authorities.

(ii) Appointment of Mr. Y. S. Chakravarti (DIN 00052308) as an Additional Director of the Company with immediate effect based on the recommendation of the Nomination and Remuneration Committee. His brief profile and other required details as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are furnished in Annexure 2.

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(iii) Appointment of Mr. Parag Sharma (DIN 02916744) as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of Whole-Time Directorship will be for a period of five years up to December 12, 2026. This is based on the recommendation of the Nomination and Remuneration Committee, and is subject to approval of shareholders. His brief profile and other required details as per SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are furnished in Annexure 2.

The Board Meeting commenced at 12.00 noon and concluded at 01.00 p.m.

This is for your information and records.

Thanking you.

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

VIVEK ACHWAL
COMPANY SECRETARY
Encl.a/a

Annexure 1

Details of Composite Scheme of Arrangement and Amalgamation

Sr No.	Particulars	Description
1	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.;	This Scheme is a Composite Scheme of Arrangement and Amalgamation ("Scheme") involving: 1. **Shrilekha Business Consultancy Private Limited** (**"Transferor Company 1"** or **"SBCPL"**) was incorporated on the 9th day of January, 2017, in the state of Tamil Nadu under the Companies Act, 2013. The Corporate Identity Number of SBCPL is U74999TN2017PTC114086 The registered office of SBCPL is situated at Shriram House, No.4, Burkit Road ,T Nagar, Chennai – 600 017. 2. **Shriram Financial Ventures (Chennai) Private Limited** (**"SFVPL"**) was incorporated on the 28th day of February, 2011, in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number of SFVPL is U67190TN2011PTC079382. The registered office of SFVPL is situated at Shriram House, No.4, Burkit Road, T Nagar, Chennai – 600 017. 3. **Shriram Capital Limited** (**"Transferee Company 1"** or **"Demerged Company"** or **"Transferor Company 2"** or **"SCL"**) was incorporated on the 05th day of April, 1974, in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number of SCL is U65993TN1974PLC006588. SCL is in the business of investment promotion and registered as a Systemically Important Core Investment Company (CIC) with Reserve Bank of India. The registered office of SCL is situated at Shriram House, No.4, Burkit Road ,T Nagar, Chennai – 600 017. 4. **Shriram Transport Finance Company Limited** (**"Transferee Company 2"** or **"STFC"**) was incorporated on the 30th day of June, 1979, under the Companies Act, 1956. The Corporate Identity Number of STFC is L65191TN1979PLC007874. The registered office of STFC is situated at Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai – 600 032.

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5. **<u>Shriram City Union Finance Limited</u>** ("**Transferor Company 3**" or "**SCUF**") was incorporated on the 27th day of March, 1986, in the state of Tamil Nadu under the Companies Act, 1956. The Corporate Identity Number of SCUF is L65191TN1986PLC012840. The registered office of SCUF is situated at 123, Angappa Naicken Street, Madras- 600 001 Tamil Nadu.

6. **<u>Shriram LI Holdings Private Limited</u>** ("**Resulting Company 1**" or "**SLIH**") was originally incorporated on the 6th day of November, 2019 as 'Snottor Technology Services Private Limited', under the Companies Act, 2013. The name of the Company was subsequently changed to 'Shriram LI Holdings Private Limited' on the 16th day of October, 2021. The Corporate Identity Number of SLIH is U72900TN2019PTC132421. The registered office of the SLIH is situated at Shriram House, No.4, Burkit Road, T Nagar, Chennai – 600 017.

7. **<u>Shriram GI Holdings Private Limited</u>** ("**Resulting Company 2**" or "**SGIH**") was incorporated on the 25th day of September, 2019 as Oner Infotech Services Private Limited, under the Companies Act, 2013. The name of the Company was subsequently changed to 'Shriram GI Holdings Private Limited' on the 21st day of October, 2021. The Corporate Identity Number of SGIH is U72900TN2019PTC131795. The registered office of SGIH is situated at Shriram House, No.4, Burkit Road ,T Nagar, Chennai – 600 017.

8. **<u>Shriram Investment Holdings Limited</u>** ("**Resulting Company 3**" or "**SIHL**") was incorporated on the 3rd day of April, 2009, under the Companies Act, 1956. The Corporate Identity Number of Shriram Investment Holdings Limited is U65923TN2009PLC071236. The registered office of the SIHL is situated at Shriram House, No.4, Burkit Road, T Nagar, Chennai – 600 017.

The Board of Directors has approved a Composite Scheme of Arrangement and Amalgamation for (i) the amalgamation of Shrilekha Business Consultancy Private Limited ("SBCPL") with Shriram Capital Limited ("SCL"); (ii) the demerger of Financial Services Undertaking of SCL into -Shriram Investment Holdings Limited ("SIHL"); (iii) the demerger of Life Insurance and General Insurance Undertakings of SCL into Shriram LI Holdings Private Limited

		("SLIH") and Shriram GI Holdings Private Limited ("SGIH") respectively; (iv) the amalgamation of SCL (with its remaining undertaking and investments) with Shriram Transport Finance Company Limited ("STFC") and (v) the amalgamation of Shriram City Union Finance Limited ("SCUF") with STFC. Set out below is the net worth as on 30.09.21 and total income for the six months ended September 30, 2021 of the entities involved in the Scheme- (Amount in Rs. Crores)

Particulars	Total Income	Net Worth
Shrilekha Business Consultancy Private Limited	34.86	2,132.71
Shriram Financial Ventures (Chennai) Private Limited	102.63	2,267.52
Shriram Capital Limited	415.47	5,281.61
Shriram Investment Holdings Limited	0.26	4.16
Shriram LI Holdings Private Limited	-	0.01
Shriram GI Holdings Private Limited	-	0.01
Shriram City Union Finance Limited	3,079.81	8,549.15
Shriram Transport Finance Company Limited	9,354.31	24,591.94

2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	The transaction contemplated in the Scheme shall not attract the requirements of Section 188 of the Companies Act, 2013 (related party transactions) pursuant to the clarifications provided in General Circular No. 30/2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs. However, the said transactions may be related party transactions within the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 as amended as the companies involved in the Scheme are part of the /Promoter group. The consideration for the Scheme will be discharged on an 'arm's length basis. The share exchange ratio for the shares to be allotted by the Company to the shareholders of Shriram Capital Limited and Shriram City Union Finance Limited, is based on independent judgement of the Board of director taking in to consideration fair valuation report provided by the Registered Joint Valuers viz. M/s. Ernst & Young Merchant Banking Services LLP and Ms. Drushti R. Desai, Bansi Mehta & Co., Chartered Accountants, Registered Valuer and Fairness Opinion on the same expressed by M/s HSBC Securities and Capital Markets (India) Private Limited, a SEBI registered Category 1 Merchant Banker.
3	Area of business of the entity(ies);	**SBCPL** is engaged in the business of holding strategic long-term investments, evaluating new opportunities and sourcing funds to meet the funding requirement of such new opportunities and to offer consultancy and related services, and such other allied business activities

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		SFVPL is in the business of holding strategic long-term investments, evaluating new opportunities and sourcing funds to meet the funding requirement of such new opportunities and to offer consultancy and related services, and such other allied business activities. **SCL** is in the business of investment promotion and registered as a Systemically Important Core Investment Company (CIC) with Reserve Bank of India. It is the promoter of the companies under its fold and focuses on tailoring strategies suited to the businesses carried on by these companies, infuses required capital and nurtures them to grow into developed business entities. **SLIH** main objective is to undertake investment business. **SGIH** main objective is to undertake investment business. **SIHL** main objective is to undertake investments and provide financial services. **SCUF** is engaged in the business of lending and is a deposit-accepting non-banking financial company (NBFC), specializing in retail finance. **STFC** is a deposit taking asset financing NBFC, carrying on business in the area of transport finance, particularly commercial vehicles and has a niche presence in financing pre-owned trucks and small truck owners. As part of the Scheme. the name of Shriram Transport Finance Company Limited is proposed to be changed to Shriram Finance Limited or such other name as may be made available/approved by the appropriate regulatory authorities
4.	Rationale for Scheme	The reasons and rationale underlying the Scheme specific to each of the concerned companies, which would make it beneficial for all the companies involved, and their respective shareholders are as follows: (a) the Transferor Company 1 and the Transferee Company 1/demerged company/transferor company 2 are both companies carrying on the business of making and holding investments in various specific lines of businesses carried on by the group, and have both been incorporated with same/similar objects. the amalgamation of these two companies will achieve the purpose of simplifying the structure of holdings by amalgamating entities which are similar in their fields of operation and

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		objectives, unlock value for their respective shareholders, and eliminate the need for multiple layers of entities with the same focus. (b) the proposed demerger and vesting of the three undertakings, namely (i) Life insurance undertaking; (ii) General insurance undertaking, and (iii) Financial services undertaking, into resulting companies 1, 2 and 3 respectively, from the Transferee company 1/Demerged company/transferor company 2, will enable the segregation of these lines of businesses each of which have independent requirements, strategies, focus and objectives. the demerger and vesting of these independent lines of businesses and undertakings into separate resulting companies, will enable those companies to carry on each of the specialized lines of business with greater focus, tailormade strategies for operations and growth; enable the attribution of appropriate risk and valuation based on the risk-return profiles of each line of business; provide greater visibility to each of these lines of business, and enable them to attract investments (c) the merger of Transferee Company 1/Demerged company/Transferor Company 2 with its remaining undertaking, with transferee company 2, will achieve the combination of the remaining line of business activities [i.e. other than the life insurance, general insurance and financial services] of the Transferee Company 1/Demerged Company/Transferor Company 2 with Transferee Company 2, which is a listed entity engaged in the business of financial lending. this will ensure that the companies forming part of the group, which are focused on the business of lending are concentrated in a single large entity, which has the necessary means, presence and resources to achieve still larger scales in the business of lending, while reducing the presence of multiple entities across the group, with an interest and presence in the same line of business. (d) the proposal in the Scheme to amalgamate the Transferor Company 3 with the Transferee Company 2, will also serve to be highly beneficial to all the stakeholders, by bringing together the capabilities and the presence of the group in the categories of transport finance, and retail finance, and in the process create a larger financial lending entity with both these businesses combined, and the resulting benefits of scale and

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		synergies of operation. This proposed merger will further consolidate the leadership position of Transferee Company 2 in the 'commercial vehicle' market following the proposed merger, and by virtue of the Transferor Company 3's extensive understanding of credit culture, the amalgamated entity will be able to launch retail finance products in locations that the Transferor Company 3 has not been able to penetrate. The combination of the operations of these two entities with their own vast networks of customers, will uniquely position the group to ensure that each line of business is expanded to its fullest potential on the strength of a larger, amalgamated entity. This process will help in consolidating the vast branch network of these two companies and is likely to provide a variety of retail lending under a single window with attendant saving of expenditure. (e) all the Transferor companies, the Resulting companies and the Transferee Companies, are under the Shriram umbrella, with Transferor Company 1 also having a portion of its shareholding held by SOT. The promoters of the Transferor Companies, the resulting companies and the Transferee Companies, are a common set of persons, and the demerger and amalgamation contemplated in the Scheme would only strengthen and reinforce the management of these Companies, while creating a dedicated leadership and management for each of the lines of business or verticals. (f) being companies forming part of the same conglomerate, the amalgamation and demerger contemplated in the Scheme, would create entities that are unique to each of the lines of business activities carried on by the Group, while also enabling consolidation and lead to a more efficient utilization of capital, and create a consolidated base for the future growth of the various entities. (g) the amalgamation envisaged in the Scheme will also enable appropriate consolidation of the activities of the Transferor Companies and the Transferee Companies with pooling and more efficient utilization of their resources, greater economies of scale, cost synergy, ease of regulatory compliances and improvement in various operating parameters, in addition to enabling the carrying on of each of the

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		businesses in a more efficient, streamlined and organized fashion. This Scheme is being undertaken to re-organize the Group's businesses in order to enable focused growth strategies and capital infusion for each vertical. The Companies involved in the present Scheme are of the view that each line of business or vertical requires its own specially tailored management focus, with different strategies, to account for the difference in the challenges posed, as also the unique needs of each line of business. Accordingly, the Companies involved in the Scheme are of the view that segregating each of the above lines of business activities or verticals as mentioned earlier, will enable greater and more concentrated focus on each such line of business or vertical, and ensure greater business attention both from an operational perspective, and in terms of targeting and attracting a specific profile of investors and stakeholders for each of them to simplify and rationalize the structure of holdings, segregating the lines of business, eliminate the need for multiple holding companies in each line of business a leaner and more efficient structure for the Group. To facilitate further investment opportunities from strategic investors/financial investors depending on the particular business interests and risk appetite. To achieve restructuring for shareholders of the various group companies, in a manner which will unlock value for them. Objective and purpose of the Scheme (a) To simplify the holding structures and layers in the group of Companies forming part of the Scheme. (b) To focus on evolving business strategies with a specialised approach needed for a particular line of business than in a conglomerated entity having multiple businesses. (c) To facilitate further investment opportunities from strategic investors/financial investors depending on the particular business interests and risk appetite. (d) To achieve restructuring for shareholders of the various group companies, in a manner which will unlock value for them. (e) The proposed Scheme is expected to bring in intangible benefits that the Shriram Group has generated over decades, while at the same time

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<table>
<tr><td></td><td></td><td>enhancing the scale of operations and enabling better attention and focus to be given in an integrated manner to all the businesses so as to enable achievement of their full potential.

The proposed restructuring exercise via the Scheme is expected to bring in following benefits:

(a) Attract investment opportunities from strategic investors/financial investors who have varied business interests and risk perceptions.
(b) Provide exit opportunities to investors.
(c) Facilitate to achieve the objective of expanding the business of mutual fund, wealth management etc., with tremendous potential, taking advantage of the popularity of the Shriram brand and the extensive retail network available.
(d) Assist the Shriram Group in building a holistic digital strategy to cater to the customer needs of the entities in Shriram Group conglomerate and chalk out a digital transformation roadmap.</td></tr>
<tr><td>5</td><td>In case of cash consideration- amount or otherwise share exchange ratio</td><td>The Scheme does not involve payment of cash consideration. The Share Exchange Ratio is given in Annexure-3</td></tr>
<tr><td>6</td><td>Brief details of change in the shareholding pattern (if any) of entities.</td><td>Change in shareholding of STFC
<table>
<tr><th rowspan="2">Category</th><th colspan="2">Pre Scheme</th><th colspan="2">Post Scheme</th></tr>
<tr><th>No of Shares</th><th>% shareholding</th><th>No of Shares</th><th>% shareholding</th></tr>
<tr><td>Promoter and Promoter Group</td><td>70494053</td><td>26.06</td><td>74985867</td><td>20.11</td></tr>
<tr><td>Public</td><td>200025660</td><td>73.94</td><td>297930459</td><td>79.89</td></tr>
<tr><td>Grand Total</td><td>270519713</td><td>100.00</td><td>372916326</td><td>100.00</td></tr>
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Annexure 2

Details required under Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

MR. Y. S. CHAKRAVARTI

Sr No.	Particulars	Description
1	Name of Director	Mr. Y. S. Chakravarti (DIN 00052308)
2	Reason for change viz. appointment~~, resignation, removal, death or otherwise;~~	Appointment
3	Date of appointment ~~/cessation (as applicable)~~ & term of appointment;	Mr. Y. S. Chakravarti is appointed as an Additional Director of the Company with effect from 13th December,2021 by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The term of office of the additional director will be as per the provision of Section 161 of the Companies Act, 2013 read with Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended. Mr. Y. S. Chakravarti is non-executive non-independent director and will be liable to retirement by rotation after being appointed by shareholders in the general meeting/ through postal ballot.
4	Brief profile (in case of appointment);	Mr. Y S Chakravarti, (holding Director Identification Number 00052308) B.com, started his career in Shriram Chits Pvt. Ltd., Andhra Pradesh in June 1991 as an Executive Trainee, and rose to the position of Chief Executive of the Organization by 1998. In recognition of his performance, Chakravarti was promoted as Executive Director of the Organisation in March 2004. During his tenure he expanded the branch network business and customer base manifold. Mr. Chakravarti joined Shriram City Union Finance Limited in the year 2008 as Executive Director, initially as Business Head for financing purchase of two wheelers in the state of Andhra Pradesh. His nurturing of the state enabled Andhra Pradesh to be the leading contributor to the business of the company, a position that the state continues to occupy. He was elevated to the position of Chief Operating Officer ("COO") of the company in 2010. He became the

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Sr No.	Particulars	Description
		Managing Director and CEO of SCUF w.e.f. July 1, 2019.
5	Disclosure of relationships between directors (in case of appointment of a director).	Mr. Y. S. Chakravarti is not related to any director of the Company
6	Information as required pursuant to BSE Circular with ref. no. LIST/ COMP/ 14/ 2018-19 and the National Stock Exchange of India Ltd with ref. no. NSE/ CML/ 2018/ 24, both dated 20th June, 2018.	Mr. Y. S. Chakravarti is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

MR. PARAG SHARMA

Sr No.	Particulars	Description
1	Name of the Director	Mr. Parag Sharma (DIN 02916744)
2	Reason for change viz. appointment~~, resignation, removal, death or otherwise;~~	Appointment
3	Date of appointment ~~/cessation (as applicable)~~ ~~&~~ term of appointment;	Mr. Parag Sharma (holding Director Identification Number 02916744) is appointed as an Additional Director and also as Whole-Time Director designated as Joint Managing Director and Chief Financial Officer of the Company with effect from December 13, 2021. His tenure of the Whole-Time Directorship will be for a period of five years up to December 12, 2026. His appointment is approved by the Board, on the recommendation of the Nomination and Remuneration Committee and is subject

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Sr No.	Particulars	Description
		to approval of shareholders of the Company in general meeting/through postal ballot.
4	Brief profile (in case of appointment);	Mr. Parag Sharma B.Com (Hons), Grad CWA, has been working in the Shriram Group for about three decades. He has been a dynamic, successful and accomplished Chief Financial Officer of the Company for past several years and is responsible for introducing innovative techniques and methods of raising funds through domestic as well as international sources. He is expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc.
5	Disclosure of relationships between directors (in case of appointment of a director).	Mr. Parag Sharma is not related to any director of the Company.
6	Information as required pursuant to BSE Circular with ref. no. LIST/ COMP/ 14/ 2018-19 and the National Stock Exchange of India Ltd with ref. no. NSE/ CML/ 2018/ 24, both dated 20th June, 2018.	Mr. Parag Sharma is not debarred from holding the office of Director by virtue of any SEBI Order or any other such authority.

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Annexure 3

Share Exchange Ratio

SL No	Particulars	Share Exchange Ratio
1	Merger of Shriram Capital Limited with the Company	For every 10,00,00,000 of Rs.1 each, 97,83,305 shares of Rs.10 each of the Company will be issued
2	Merger of Shriram City Union Finance Limited with the Company	For every 100 shares of Rs.10 each of Shriram City Union Finance Limited, 155 of Rs.10 each of the Company will be issued

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