

23 June 2011

Public Issue of Secured, Non-Convertible Debentures of Shriram Transport Finance Co. Ltd.**Issue Highlights:**Issue Open: **June 27, 2011**Issue Close: **July 09, 2011**Issuer: **Shriram Transport Finance Company Ltd**Issue Size (Rs.): **Rs.1000 Crores**Objects of the issue: **To meet the financing activities of the company.****Credit Rating:****CRISIL Rating:** AA/Stable for an amount up to Rs.1000 Crores.**CARE Rating:** CARE AA+ for an amount up to Rs.1000 Crores.**Issue Allocation:****Resident Individuals/HUF** (application size < 5 lakhs): 40%**Resident Individuals/HUF** (application size > 5 lakhs): 40%**Corporate / QIB's:** 20%**Lead Managers:**

JM Financial Consultants Private Limited

ICICI Securities Limited

Co-Lead Managers:

RR Investors Capital Services (p) Ltd

Karvy Investor Services Limited

Registrar:

Integrated Enterprises (India) Ltd

Bankers to the Issue:

Axis Bank Ltd.

Dhanlaxmi Bank Limited.

HDFC Bank Ltd.

ICICI Bank Ltd.

Kotak Mahindra Bank.

State Bank of India.

Debenture Trustee:

IDBI Trusteeship Services Limited

Depositories:

NSDL & CSDL.

Listing:

NSE

About the Issuer**Issue highlights:**

- 1. Reservation in allotment for Resident individuals and HUF.**
- 2. Secured and therefore not comparable with company fixed deposits.**
- 3. NO TDS.**

Brief Introduction of the company:

The issuer (Shriram Transport Finance Company) was established in 1979. It is part of Shriram group of companies. The issuer is registered as a deposit taking NBFC with RBI. A report by D&B and CRISIL named the company as the largest asset financing NBFC in India. The company's activities comprise financing for passenger commercial vehicles, multi-utility vehicles, three wheelers, tractors, construction equipment, ancillary equipment and vehicle parts. The company also provides working capital facility for First Time Users and Small Road Transport Operators and ancillary financial services. The company has recently forayed into new lines of business like equipment finance and stock yard services.

Investment Rationale:

In asset financing business the critical factors which determine the success are having larger customer base, access to low cost funding sources and ability to reduce the delinquencies through sound credit appraisal and collection processes.

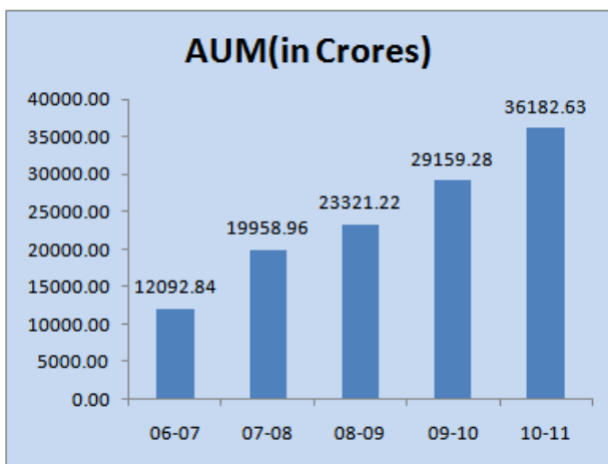
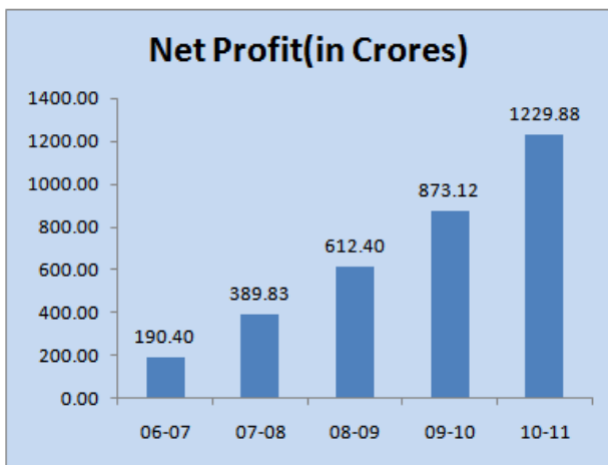
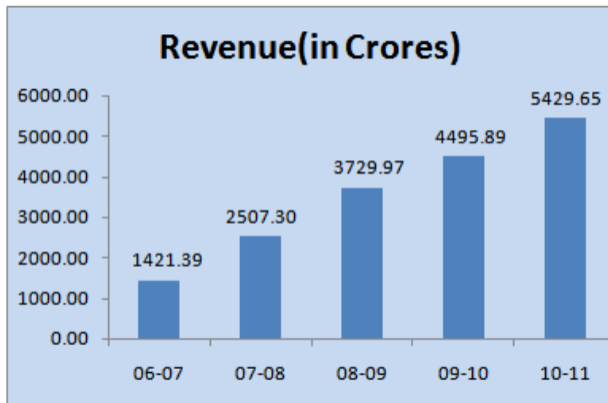
The company has a widespread network of 488 branches across India. This helps the company in garnering larger customer base and it also helps the company in servicing the customers. The company enjoys highest credit ratings on its long term as well as short term debt. This enables the company to raise the required funding at lower rates. The company's competitive strategy is focusing on a segment which is neglected by other traditional players.

Sound financials of the company, high credit ratings and competitive strategy of the company make this NCD a very attractive investment.

Key Strengths:

- The largest asset financing NBFC in India.
- Access to a range of cost effective funding sources.
- Unique business model and a track record of financial performance.
- Strong brand name.
- Extensive experience and expertise in credit appraisal and collection processes.
- Experienced and senior management team.

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Financial Analysis:

Assets under management:

Assets under management of the company increased from Rs.12092.84 Crores in 2007 to Rs.36182.63 Crores in 2011 at a CAGR of 31.52%.

Total Income:

Total Income of the company increased from Rs.1421.386 Crores in 2007 to Rs.5259.71 Crores in 2011 at a CAGR of 39.8%.

Net Profit:

Net Profit of the company increased from Rs.190.3971 Crores in 2007 to Rs.1229.88 Crores in 2011 at a CAGR of 59.42%.

The issue

Options	I	II
Interest payment	Annual	Annual
Min Application	Rs.10000 (10 NCDs)	Rs.10000 (10 NCDs)
Face Value	Rs.1000	Rs.1000
Issue Price	Rs.10000	Rs.10000
Coupon (%) (Individual investors & HUF) (< 5 lacs)	11.60% p.a	11.35% p.a
Coupon (%) in (Individual investors & HUF) (> 5 lacs)	11.35% p.a	11.10% p.a
Coupon (%) for QIB & NII	11.10%	11.00%
Redemption	Bullet at the end of 60 months (in case put / call not exercised)	Bullet at the end of 36 months
Put and call option	Exercisable at the end of 48 months	Nil
Tenor	60 months	36 months
Mode of Allotment	Demat	Demat
TDS	No TDS on interest payment	No TDS on interest payment

Who can apply? :

Resident Indian individual and HUF

Non institutional investors & Institutional investors.

IMPORTANT: Please read the Prospectus of this issue carefully before investing in the same.

Disclaimer

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