

Issue Details



Public Issue of NCDs by Shriram Transport Finance Company Limited

Issue Opening Date
July 26, 2012

Issue Closing Date
August 10, 2012

About Company

- Shriram Transport Finance Company (STFC) was established in 1979 and have a long track record of over three decades in the commercial vehicle financing industry in India
- STFC is a part of the Shriram group of companies which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products such as life and general insurance products and mutual fund products, as well as a growing presence in other businesses such as property development, engineering projects and information technology.
- As of March 31, 2012 STFC had 502 branches across India, including at most of the major commercial vehicle hubs along various road transportation routes in India
- STFCs Total income on an unconsolidated basis increased from Rs 2,51,504.11 lacs in fiscal 2008 to Rs 5,89,387.66 lacs in fiscal 2012 at a CAGR of 23.73%
- STFCs net profit after tax increased from Rs 38,982.65 lacs in fiscal 2008 to Rs 1,25,744.96 Lacs in fiscal 2012, at a CAGR of 34.02%.

Highlights of the Issue

- Public issue of NCD aggregating upto Rs.300 crores with an option to retain over-subscription upto Rs.300 crores for issuance of additional NCDs aggregating to a total of upto Rs.600 crores.
- Minimum investment Rs.10,000/- thereafter in multiples of Rs.1,000/-.
- Retail Portion - Rs. 240 crores – Application size upto Rs.5 lakhs – Demat and Physical option available.
- HNI portion - Rs. 240 crores – Application size above Rs. 5 lakhs - only demat option.
- Allotment will be on “**First come First serve**” basis.
- Very attractive interest rates of upto **11.40% for 5 years & 11.15% for 3 years.**
- Credit Rating - “CRISIL AA /Stable” by CRISIL and “CARE AA+” by CARE.
- Multiple applications by same investor shall be grouped together as one application for the purpose of per application incentive
- Cheque / DD should be drawn in favour of “**Escrow Account STFC NCD Public Issue**” by all applicants .

Terms & Conditions of the Issue

Series	I	II	III	IV
Face Value	Rs. 1000 (1NCD)	Rs. 1000 (1NCD)	Rs. 1000 (1NCD)	Rs. 1000 (1NCD)
Minimum Application	Rs. 10,000	Rs. 10,000	Rs. 10,000	Rs. 10,000
In Multiples of	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000
Tenor	36 months	60 months	36 months	60 months
Frequency of Interest payment	Annual	Annual	NA	NA
Coupon Rate	11.15%	11.40%	NA	NA
Redemption Amount	Repayment of the face value plus any Interest that may have accrued at the Redemption Date		Rs. 1,373.19 per NCD	Rs. 1,716.15 per NCD

What are the difficulties, if opted for physical form?

- TDS will get deducted if interest amount is Rs.5,000 or more in a year.
- Cannot be sold in NSE / BSE
- Need to undergo lengthy KYC procedures.

Strengths of the Company

- A pioneer in the pre-owned commercial vehicles financing sector.
- Knowledge-driven and relationship-based Business Model.
- Pan-India presence with 502 branch offices
- A well-defined and scalable organisation structure based on product, territory and process knowledge.
- Strong financial track record driven by fast growth in AUM with low Non Performing Assets (NPAs).
- Experienced and stable Management Team.
- Strong relationship with public, private as well as foreign banks, institutions and investors.
- More than 8.5 lac customers across India.

Thank You

