

Proceedings of the Meeting held at Chennai on May 30, 2010

Participants:

Shriram Transport Finance Company Limited (The Issuer)	Mr. Prakash K Vice President – Corporate Affairs & Company Secretary
Integrated Enterprises (India) Ltd (Registrars to the Issue)	Mr. Suresh Babu K Asst. Vice President
JM Financial Consultants Private Limited (Lead Manager to the Issue)	Mr. Virendra P Pandey Director, Investment Banking
ICICI Securities Limited (Lead Manager to the Issue)	Mr. Prem D’Cunha Vice President
RR Investors Capital Services Private Limited (Co -Lead Manager to the Issue)	Mr. Brahmadutta Singh Vice President

1. Shriram Transport Finance Company Limited (STFC/Company/Issuer) made a Public Issue of Non-Convertible Debentures of face value of Rs.1,000/- each, (“NCDs”), aggregating upto Rs. 25,000 lakhs with an option to retain over-subscription upto Rs. 25,000 lakhs for issuance of additional NCDs, aggregating to a total of upto Rs.50,000 lakhs, including a reservation for Unsecured NCDs, aggregating upto Rs.20,000 Lacs, through the Prospectus dated May 6, 2010 (the “Prospectus”). The issue opened on May 17, 2010 and closed for subscription May 22, 2010. The issue was oversubscribed 4.25 times.
2. In terms of the Prospectus, applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs upto 10% of the Issue size, applicants belonging to the Non –Institutional Portion will be allocated NCDs upto 10% of the Issue size and applicants belonging to the Reserved Individual Portion shall be allocated NCDs upto 40% of the Issue size and the balance 40% shall be allocated to both Reserved and Unreserved Individual Portion (“Allocation Ratio”). Allotments, in consultation with the Designated Stock Exchange, shall be made on a first-come first-serve basis, based on the date of presentation of each application to the Bankers to the Issue, in each Portion subject to the Allocation Ratio.
3. **Basis of Allotment:** Allotment to all the eligible investors has been made on ‘first come first serve basis’.

In terms of the Prospectus dated May 6, 2010, any under subscription in Reserved Individual Portion or Unsecured Individual Portion shall first be met by inter-se adjustment between these two sub-categories. Thereafter, if there is any under subscription in any Portion, priority in allotments will given to applicants in Reserved and Unreserved Individual sub-categories and balance, if any, shall first be made to applicants of the NII, and thereafter to Institutions on a first come first serve basis, on proportionate basis. In the case of oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis. All applications received on the same day by the Bankers to the Issue would be

treated at par with each other and allotment within a day would be on proportionate basis, where NCDs applied for exceeds NCDs to be allotted.

The Prospectus dated May 06, 2010 also provided that the Company shall be entitled to issue and allot Unsecured NCDs, subject to demand, aggregating upto the Issue Size i.e. up to Rs. 50,000 lakhs, in case of a shortfall in demand for Secured NCDs. Further, the Company shall be entitled to issue and allot Secured NCDs subject to demand, aggregating upto the Issue size i.e. up to Rs. 50,000 lakhs, in case of a shortfall in demand for Unsecured NCDs.

4. **Allocation of the Undersubscribed Unsecured Portion:**

The Prospectus provides for reservation for Unsecured NCDs aggregating upto Rs. 20,000 lakhs. The subscription received for the Unsecured NCDs are as follows:

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions Category	4	1030	10,30,000
B	NII Category	8	20,300	2,03,00,000
C	Reserved Individual	4868	6,42,105	64,21,05,000
D	Un Reserved Individual	50	1,89,632	18,96,32,000
	Total	4930	8,53,067	85,30,67,000

Hence, as per the Prospectus, the unsubscribed portion of Unsecured Debentures after considering rejections is 11,68,969 NCDs of Rs. 1,000 each aggregating to Rs. 116,89,69,000 has been allocated to Secured Category as per the allocable ratio of (10:10:40:40) for Institutions, NII, Reserved and Unreserved respectively. To that extent, the total allocable amounts to all categories under Secured Debentures stands increased.

5. **Proportionate allotment:** Proportionate allotment in respective categories has been handled in accordance with the terms of the Prospectus dated May 6, 2010. As the Reserved Individual, Unreserved Individual, Non-Institutional and Institutions category of Secured Debentures was oversubscribed on day one itself, all the valid applications of day one in all the categories becomes eligible for proportionate allotment. As such, the allocable quantity may result in fractions and in such cases these fractions have been rounded off to the nearest integer as per the Prospectus.
6. HDFC Bank Limited, The Hong Kong and Shanghai Banking Corporation, ING Vysya Bank Limited, Indus Ind Bank, Kotak Mahindra Bank Limited and Standard Chartered Bank (collectively referred to as “Escrow Collection Banks”) have acted as Escrow Collection banks for receiving the application money from all categories of applicants. The final certificates issued by the banks giving the branch wise details of the collections is in agreement with the details processed by the Registrars.
7. As per the final certificate issued by the Banks 24,649 applications for 1,05,24,131 NCDs have been received and the amount collected is Rs.1052,41,31,000.

Secured and Unsecured NCDs

The break up of applications received from Reserved Individual, Unreserved Individual, Non-Institutional and Institutions category under Secured and Unsecured Debentures are as under:

Secured Debentures:

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions Category	14	23,63,600	236,36,00,000
B	NII Category	62	25,20,495	25,20,495,000
C	Reserved Individual	19939	29,65,693	296,56,93,000
D	Un Reserved Individual	253	18,21,276	182,12,76,000
	Total	20268	96,71,064	967,10,64,000

Unsecured NCDs

The break up of applications received from Reserved Individual, Unreserved Individual, Non-Institutional and Institutions category under Unsecured Debentures are as under:

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions Category	4	1030	10,30,000
B	NII Category	8	20,300	2,03,00,000
C	Reserved Individual	4868	6,42,105	64,21,05,000
D	Un Reserved Individual	50	1,89,632	18,96,32,000
	Total	4930	8,53,067	85,30,67,000
	Grand Total (Secured + Unsecured)	25198	10524131	1052,41,31,000

It has been observed that out of the total 25,198 Applications received under secured and unsecured debentures, there are 549 applications, where the applicants have chosen multiple options and hence the total application count will be 24,649.

8. Gross Collections (Net of Cheque Returns)

The Registrar to the Issue has confirmed that the applications so received have been reconciled with the final certificates issued by the controlling branches of the banks. The bank-wise details of applications received are as follows:

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	HDFC Bank	6,602	26,62,144	266,21,44,000
B	HSBC Bank	2,972	11,26,192	112,61,92,000
C	INDUSIND Bank	1,739	2,64,993	26,49,93,000
D	ING Vysya Bank	6,110	14,82,531	148,25,31,000
E	Kotak Mah Bank	1,350	6,83,007	68,30,07,000

F	SCB	5,876	43,05,264	430,52,64,000
	Total	24,649	105,24,131	1052,41,31,000

9. **Additional Applications:** Additional applications have been identified as per the procedure detailed on page 194 of the Prospectus in the paragraph related to 'Additional Applications'. Accordingly, the Registrars have reported that based on the PAN appearing in the depository account of the applicant, one or more applications by the same applicant aggregating to a value exceeding Rs. 5 lakh has been grouped together and considered in the Unreserved Individual Portion, for the purpose of determining the basis of allotment to such applicant.

Though all the applications have been grouped together as stated above for the purpose of determining the category of applicant, in case of additional applications, but all such applications received from Reserved, Unreserved, Non Institutional and Institutions applicants after day one under Secured Debentures, have not been considered eligible for allotment as all the categories in Secured Debentures got oversubscribed on day one itself.

10. As stated above, we have accepted all the applications which come under this category in case they are valid applications and are not subject to technical rejections as per the terms of the Prospectus.
11. To minimise rejections Registrars confirm that they have made efforts to obtain missing information in respect of as many applications as possible.
12. Registrar has identified 8 applications for 1,405 NCDs where the depository account details are matched with the data of NSDL/CDSL pursuant to SEBI Letter date June 12, 2007 and hence such applications have been rejected.
13. Based on the above , basis of allotment for various categories of investors have been prepared and the details of applications rejected on technical grounds are given below:

Secured and Unsecured Debentures:

S. No.	Reason for rejection	No. of Applications	NCDs	Amount
1	Applications not signed	7	410	4,10,000
2	Minor without Guardian Name	1	500	5,00,000
3	DP ID / CL ID not mentioned in the application	40	4,043	40,43,000
4	Applications where the 2 nd holder and /or 3 rd holder name is appearing in depository details but not appearing in the application form	205	55,961	5,59,61,000
5	NRI applications	9	1,860	18,60,000
6	PAN not given /available	1	45	45,000
7	Invalid DP ID / CL ID	139	20,142	2,01,42,000
8	Applications where the 2 nd	225	55,473	55,4,73,000

	holder and /or 3 rd holder name is appearing in the application form but not appearing in the depository records			
9	Name mismatch with depository records - *	69	14,961	1,49,61,000
10	Application through incorrect Category	4	3,600	36,00,000
11	Name order mismatch in application form vis-à-vis depository records	22	1,485	14,85,000
12	Blacklisted Demat Account	8	1,405	14,05,000
	Total	730	1,59,885	15,98,85,000

* - However, in case of 3 applications, where the name of the first holder appearing in the application form as well as in the depository are same, such applications have been accepted even though the sequence of the second and third holders in the application forms and the depository differ.

14. After rejections as above, the valid applications considered for processing are as under:

Secured Debentures:

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions	10	23,60,000	236,00,00,000
B	NII Category	61	25,19,995	251,99,95,000
C	Reserved Individual	19,353	28,83,654	288,36,54,000
D	Un Reserved Individual	239	17,69,566	176,95,66,000
	Total (A)	19,663	95,33,215	953,32,15,000

Unsecured Debentures

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions	4	1030	10,30,000
B	NII Category	7	19,100	1,91,00,000
C	Reserved Individual	4,735	6,21,769	62,17,69,000
D	Un Reserved Individual	49	1,89,132	18,91,32,000
	Total (B)	4,795	8,31,031	83,10,31,000
	Grand Total (A+B)	24,458 *	103,64,246	1036,42,46,000

(*) Includes 539 cases of applications where multiple options are chosen by the applicant.

15. Summary of Allotment in various categories is as under:

Secured Debentures

S. No.	Particulars	No of Applications	No of NCDs Alloted	Amount in Rs.
A	Institutions Category	10	4,16,895	41,68,95,000
B	NII Category	52	4,16,900	41,69,00,000
C	Reserved Individual	9,386	16,66,693	166,66,93,000
D	Reserved & Un Reserved Individual	179	16,68,480	166,84,80,000
	Total	9,627	41,68,968	416,89,68,000

- All applications in all categories not pertaining to day one have been considered for refund as all categories under Secured Debentures were oversubscribed on day one itself.
- In the case of allotment to Institutions category, the allocable portion after considering the spill over of undersubscription in Unsecured debentures is 4,16,896 NCDs. An allotment of 4,16,895 NCDs are to be made after adjusting for fractions of respective applicants in the Institutions category.
- In the case of allotment to NII category, the allocable portion after considering the spill over of undersubscription in Unsecured debentures is 4,16,897 NCDs. An allotment of 4,16,900 NCDs are to be made after adjusting for fractions of respective applicants in the NII category.
- In case of allotment to Reserved Individual Category, the allocable portion after considering the spill over of undersubscription in Unsecured debentures is 16,67,588 NCDs. An allotment of 16,66,693 NCDs are to be made after adjusting for fractions of respective applicants in the Reserved Individual Category, thereby causing a deficit of 895 NCDs to be allotted. These 895 NCDs are carried over to the Unreserved Individual category, as per the Prospectus. The reason for this deficit is only because the number of applicants whose fraction below 0.5 are more than those applicants whose fraction are above 0.5.
- In case of allotment to Unreserved Individual Portion (please refer to page 188, 189 and 198 of the Prospectus) along with Reserved Individual Portion (please refer to page 188, 189 and 197 of the Prospectus), the allocable portion after considering the spill over of under subscription in unsecured debenture and reserved individual portion (of 895 NCDs) is 16,68,483 NCDs. An allotment of 16,68,480 NCDs are to be made after adjusting for fractions of respective applicants, thereby causing a deficit of 3 NCDs to be allotted. The rounding of fraction was causing an additional allotment of 754 debentures. An excess allotment of 754 debentures was avoided by rounding off certain applicants to less than 0.5 instead of considering them in the higher level (i.e. above than 0.5). These applicants have been marked separately with an (*) mark in the proposed Basis of Alloment, for easy reference, due to which the net allotment deficit in this portion is of 3 NCDs. The applicants which were rounded off to less than 0.5 instead of considering them in the higher level (i.e. above than 0.5) are

those applicants that have received additional allotment in the Reserved Individual Portion.

Unsecured Debentures

S. No.	Particulars	No of Applications	No of NCDs	Amount in Rs.
A	Institutions	4	1030	10,30,000
B	NII Category	7	19,100	1,91,00,000
C	Reserved Individual	4,735	6,21,769	62,17,69,000
D	Un Reserved Individual	49	1,89,132	18,91,32,000
	Total	4,795	8,31,031	83,10,31,000

16. Summary of Allotment in various options:

Particulars	Secured Debentures			Unsecured Debentures		Total
	Option I	Option II	Option III	Option IV	Option V	
Institutions	1,76,650	63,595	1,76,650	Nil	1,030	4,17,925
Non Institutional	1,63,217	26,108	2,27,575	9,100	10,000	4,36,000
Reserved Individual	1,74,033	4,23,327	10,69,333	3,74,608	2,47,161	22,88,462
Unreserved Individual	10,61,547	1,12,406	4,94,527	1,68,700	20,432	18,57,612
Total	15,75,447	6,25,436	19,68,085	5,52,408	2,78,623	49,99,999

17. It is recommended that the Basis of Allotment prepared separately for Secured and Unsecured Debentures and for the respective four categories –Institutions, Non-Institutional, Reserved Individual, Reserved & Unreserved Individual- as per the enclosures be submitted to the National Stock Exchange of India Limited for approval along with other prescribed documents.

For Shriram Transport Finance Company Limited (The Issuer)		For Integrated Enterprises (India) Limited (Registrar to the Issue)	
Authorised Signatory		Authorised Signatory	
For JM Financial Private Limited (Lead Manager to the Issue)	For ICICI Securities Limited (Lead Manager to the Issue)	For RR Investor Capital Services Limited (Co Lead Manager to the Issue)	
Authorised Signatory	Authorised Signatory	Authorised Signatory	

