



## Chairman's overview



“ In the Indian culture, family is often viewed as an institution that enables, connects, protects and corrects. With every new member, the family expands, responsibilities grow and so does the **social network.**”

Family plays an important part in one's upbringing, growth and accomplishments. In the Indian culture, family is often viewed as an institution that enables, connects, protects and corrects. With every new member, the family expands, responsibilities grow and so does the social network. The core element that binds this value is trust and belief. So when it came to creating a sustainable business model, we at Shriram Transport took a conscious decision of infusing the core values that build, protect and nourishes every individual member. As a result, a model based on relationships and knowledge was devised and imbibed.

Today, our family encompasses more than 800,000 truckowners, 500 private financiers, 16,919 employees and more than 40,000 shareholders/ investors. We have not only become the largest asset financing NBFC in India but also empowered millions of aspiring truckowners in the process. Having established our credentials, a preferred clientele, a scalable and fool-proof business model, we feel the time has come to conquer newer heights, simply by continuing to follow the path of empowering aspirations and enabling financial inclusion.

However, the challenges are getting bigger and frequent. The world is yet not out of the global financial slowdown of 2008. The developed countries are still facing a demanding task of bringing their economies back on track. The developing economies like India and China continue to propel the growth, based on increasing in-house consumption, demographic advantage and increased per-capita income. The increased standards of living are also leading to higher inflation, which in turn is making the cost of funds dearer. The increased cost of funds would not only taper off the corporate margins but also limit the spending capacities of individuals – thereby pressurising the growth rate of the economy.

We, at Shriram Transport believe in the fact that each challenge is an opportunity in disguise. To run the business effectively, in an increasingly challenging financial ecosystem, it was important for us to have the required liquidity and at the same time, to procure such funds at an affordable cost. As a result, we resorted to various sources of funds including retail borrowings, issue of non-convertible debts and fixed deposits. Our sound business practices coupled with strong asset quality also enabled us to access funds at competitive costs with our bankers and financial institutions. Proper liquidity accessible at an affordable cost empowered us to expand our product portfolio and presence. We strengthened our business model by investing in innovative platforms like 'Automalls',

'New Look' and 'One stop'. Our initiatives delivered results, with our total income increasing by 20.8 percent to Rs. 5,430 crore and net profit was up by 40.9 percent to Rs. 1,230 crore. The quality of growth is also visible in our ability to keep the asset quality intact despite higher scale. Going forward, we would continue to scale up our organisation by strengthening the knowledge proposition in wake of abundant opportunities for the company.

The Indian economy is believed to emerge as the third largest economy by 2030. Sustaining the envisioned growth of 8 percent per year for the next two decades would entail higher value-creation across regional, industrial and individual levels. About 2/3rd of the entire Indian population resides in rural and semi-urban regions. For a nation to grow in a true sense, it is as important for the growth to trickle down to the deeper levels of the society.

At Shriram Transport, we have always believed that the best way to support is through empowerment. Empowering individuals at ground level not only results in financial inclusion but also extends the realm of empowerment to include his friends and acquaintances. As a result, we have not only successfully established ourselves as India's largest Asset Financing NBFC but have also emerged as an Entrepreneur Development Company, by providing each stakeholder a platform to grow, evolve and aspire. As a family should.

**Arun Duggal**  
Chairman