



## Investor Update

**Shriram Transport Finance Company Ltd. Q3 FY 09 (October, 08 to December, 08)**



January 23, 2009

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INDIA'S LARGEST ASSET-FINANCING NBFC.

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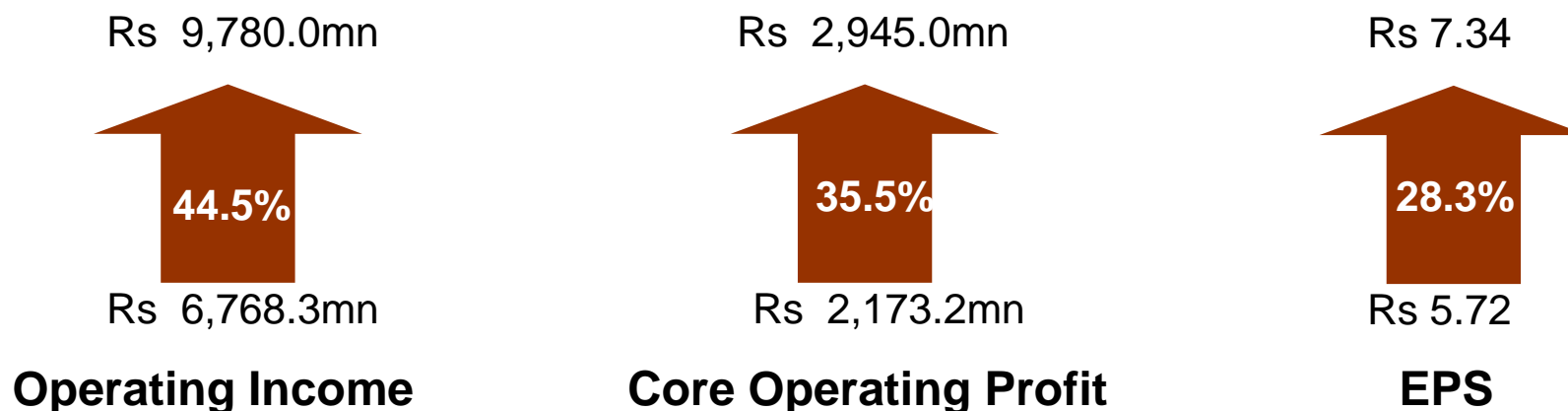
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**Financial Statements**

# Sustained Quarterly Growth Trend Continues



## Performance Review Q3 FY'09 Vs. Q3 FY'08

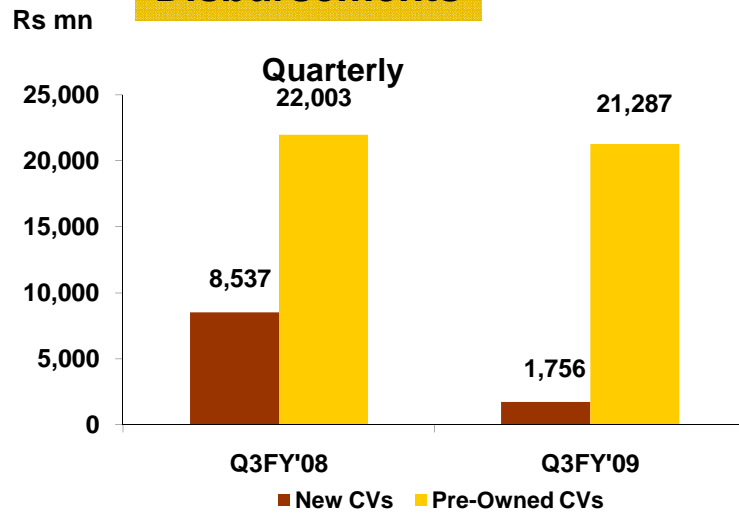


- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
  - ✓ Fund-based Income up 39.1% to Rs 8,924.9mn from Rs 6,415.7mn
  - ✓ Securitisation Income up 146.3% to Rs 849.6mn from Rs 345.0mn (securitised asset portfolio of Rs 1,999mn during Q3FY'09)
- ➔ **Growing core operating profits by 35.5% to Rs 2,945.0mn from Rs 2,173.2mn**
- ➔ **Net spread declined marginally to 4.31% from 4.40% due to**
  - ✓ **Increase in Interest cost** to 10.53% from 9.81%
- ➔ **Healthy asset quality** with Gross NPAs increased marginally to 1.91% from 1.61% and Net NPAs declining to 0.90% from 0.99%

# Driven by Growing Disbursements & AUM



## Disbursements

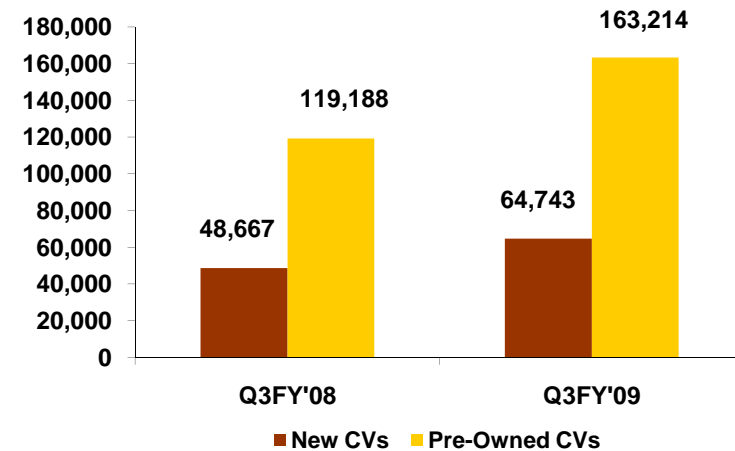


→ 92.38% disbursement in Pre-owned CV of total disbursements

→ 35.8% growth in Total Assets under Management to Rs 227.96bn

Rs mn

## Assets under Management

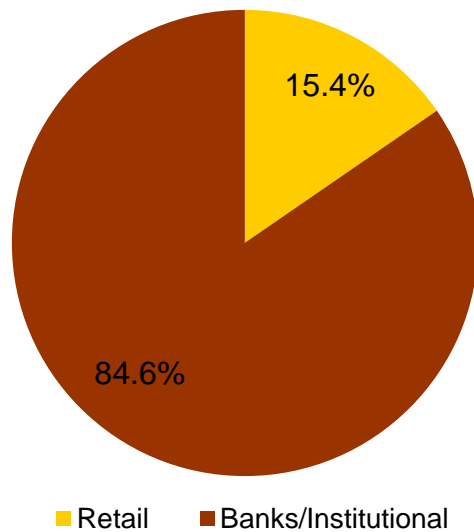


# Supported by a Healthy Borrowing Profile

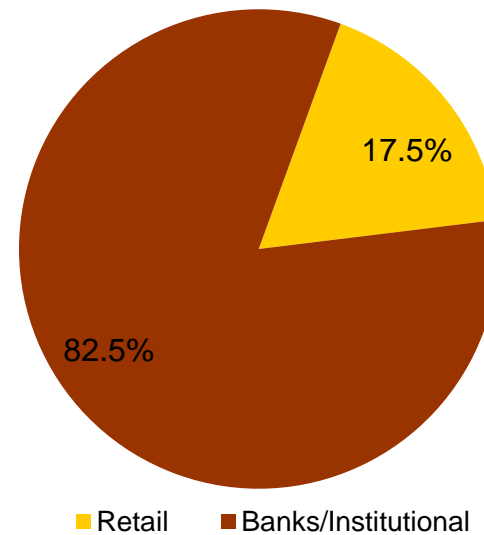


## Borrowing Profile

Q3 FY'08 – Rs 136.83bn



Q3 FY'09 – Rs 172.69bn



# With Growing Support Infrastructure



- ➔ **Strengthened the marketing set-up** with addition of 8 branch offices to take the branch network to 470
- ➔ **Pan India presence** with 50 SBUs
- ➔ **Added 383 new employees** to take the total strength to 13,002 including 6,537 field officers

*Note: Additions for the quarter ended December 31, 2008*

## Profit and Loss Statement

								<i>Rs mn</i>
Profit & Loss Statement	Q3 FY'08	Q2 FY'09	Q3 FY'09	9M FY'08	9M FY'09	YoY %	QoQ %	FY'08
Income from Financing operations								
- Fund Based	6,415.7	8,336.4	8,924.9	16,244.7	24,782.7	39.1%	7.1%	<b>23,365.9</b>
- Income from Securitisation	345.0	710.3	849.6	994.1	2,384.4	146.3%	19.6%	<b>1,508.7</b>
- Fee based	7.6	5.9	5.5	49.2	19.0	-27.9%	-7.3%	58.1
<b>Operating Income</b>	<b>6,768.3</b>	<b>9,052.6</b>	<b>9,780.0</b>	<b>17,288.0</b>	<b>27,186.1</b>	<b>44.5%</b>	<b>8.0%</b>	<b>24,932.7</b>
Interest expended	3,728.1	4,683.3	5,541.9	9,032.3	14,511.9	48.7%	18.3%	12,966.2
Personnel cost	337.5	521.6	516.8	851.5	1,519.8	53.1%	-0.9%	1,254.8
Operating expenditure	529.5	793.0	776.3	1,476.1	2,317.1	46.6%	-2.1%	2,344.7
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>2,173.2</b>	<b>3,054.8</b>	<b>2,945.0</b>	<b>5,928.1</b>	<b>8,837.3</b>	<b>35.5%</b>	<b>-3.6%</b>	<b>8,367.0</b>
Other Income	3.2	5.0	75.7	8.1	82.3	2238.0%	1418.5%	8.5
<b>Operating Profit</b>	<b>2,176.4</b>	<b>3,059.8</b>	<b>3,020.7</b>	<b>5,936.2</b>	<b>8,919.6</b>	<b>38.8%</b>	<b>-1.3%</b>	<b>8,375.5</b>
Provisions for Bad Debts	507.0	680.5	751.6	1,650.7	2,063.9	48.2%	10.5%	2,317.2
<b>PBT</b>	<b>1,669.4</b>	<b>2,379.3</b>	<b>2,269.1</b>	<b>4,285.5</b>	<b>6,855.8</b>	<b>35.9%</b>	<b>-4.6%</b>	<b>6,058.3</b>
Tax	562.4	723.1	776.0	1,505.8	2,270.3	38.0%	7.3%	2,160.1
<b>PAT</b>	<b>1,107.0</b>	<b>1,656.2</b>	<b>1,493.1</b>	<b>2,779.7</b>	<b>4,585.5</b>	<b>34.9%</b>	<b>-9.8%</b>	<b>3,898.2</b>
<b>EPS (Rs)</b>	<b>5.72</b>	<b>8.14</b>	<b>7.34</b>	<b>14.72</b>	<b>22.55</b>	<b>28.3%</b>	<b>-9.8%</b>	<b>20.26</b>
<b>Book Value (Rs)</b>	<b>88.54</b>	<b>104.67</b>	<b>111.05</b>	<b>88.54</b>	<b>111.05</b>	<b>25.4%</b>	<b>6.1%</b>	<b>89.44</b>

Key Ratios (%)	Q3 FY'08	Q2 FY'09	Q3 FY'09	9M FY'08	9M FY'09			FY'08
Yield on Interest earning assets	17.88%	17.60%	17.74%	17.56%	17.51%			17.46%
Cost of interest bearing Liabilities	11.42%	11.23%	12.37%	10.90%	11.59%			10.82%
Net Interest Margin	7.49%	7.71%	6.72%	7.80%	7.26%			7.77%
Return on Avg. Net Worth	28.35%	32.38%	27.21%	25.93%	28.88%			27.17%
Return on Avg. Assets	2.91%	3.36%	2.84%	2.86%	3.11%			2.77%
Fee-Income % of Total income	0.45%	0.26%	0.22%	0.38%	0.09%			0.23%
Interest Coverage Ratio	1.82	1.93	1.78	1.91	1.88			1.92

## Balance Sheet

Rs mn

Balance Sheet	Q3 FY'08	Q2 FY'09	Q3 FY'09	9M FY'08	9M FY'09	FY'08
<b>Liabilities</b>						
Shareholder Funds						
Equity Capital	2,031.6	2,035.0	2,035.4	2,031.6	2,035.4	2,031.6
Reserves	15,956.4	19,263.3	20,566.9	15,956.4	20,566.9	16,132.0
Preference Capital						
Loans						
Secured	104,093.0	132,232.1	139,005.9	104,093.0	139,005.9	115,539.0
Unsecured	32,736.1	38,827.9	33,680.5	32,736.1	33,680.5	32,324.5
Current Liabilities	10,757.4	16,201.5	16,813.6	10,757.4	16,813.6	15,058.1
Deferred Tax Liability	866.2	183.8	183.8	866.2	183.8	359.2
<b>Total</b>	<b>166,440.7</b>	<b>208,743.6</b>	<b>212,286.1</b>	<b>166,440.7</b>	<b>212,286.1</b>	<b>181,444.4</b>
<b>Assets</b>						
Fixed Assets	1,607.9	1,269.8	1,402.4	1,607.9	1,402.4	1,426.4
Loans & Advances	569.0	820.6	748.9	569.0	748.9	688.6
Cash & Bank balances	22,077.3	16,751.8	19,891.1	22,077.3	19,891.1	12,502.5
Investments	7,360.7	7,273.5	381.7	7,360.7	381.7	13,851.2
Truck receivables	131,478.7	180,379.0	186,665.8	131,478.7	186,665.8	151,191.3
Current Assets	3,347.1	2,248.9	3,196.2	3,347.1	3,196.2	1,784.4
<b>Total</b>	<b>166,440.7</b>	<b>208,743.6</b>	<b>212,286.1</b>	<b>166,440.7</b>	<b>212,286.1</b>	<b>181,444.4</b>

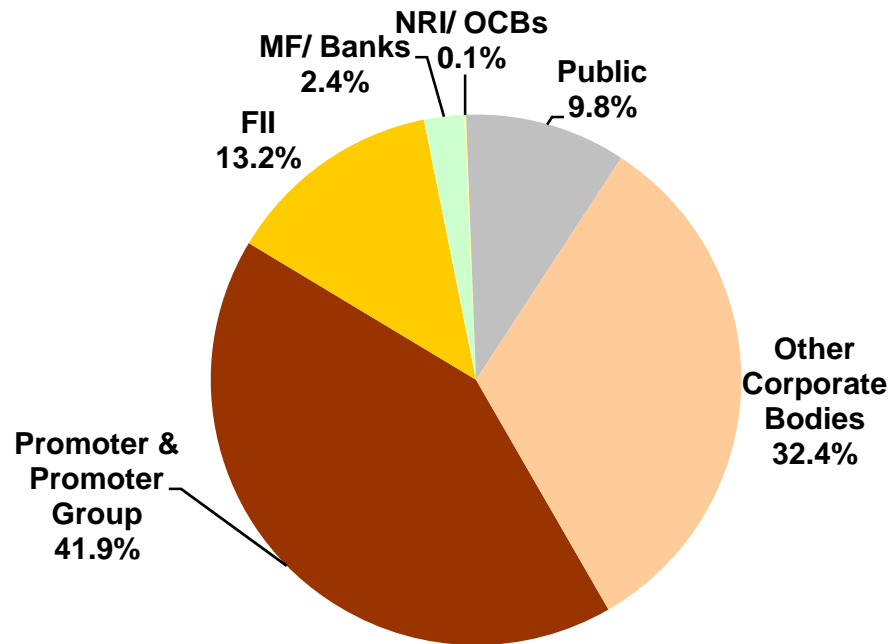
Spread Analysis	Q3 FY'08	Q2 FY'09	Q3 FY'09	9M FY'08	9M FY'09	FY'08
Total Income/ Avg. total assets	17.82%	18.40%	18.73%	17.81%	18.47%	17.74%
Interest cost/ Avg. total assets	9.81%	9.51%	10.53%	9.30%	9.83%	9.22%
<b>Gross Spread</b>	<b>8.01%</b>	<b>8.89%</b>	<b>8.20%</b>	<b>8.51%</b>	<b>8.64%</b>	<b>8.52%</b>
NPA provisioning/ Avg. total assets	1.33%	1.38%	1.43%	1.70%	1.40%	1.65%
Overhead Cost/ Avg. total assets	2.28%	2.67%	2.46%	2.40%	2.60%	2.56%
<b>Net Spread</b>	<b>4.40%</b>	<b>4.84%</b>	<b>4.31%</b>	<b>4.41%</b>	<b>4.64%</b>	<b>4.31%</b>



# Shareholding Structure as on 31<sup>st</sup>. December, 2008



No. of shares outstanding: 203.51mn



# Contact Us



**For any Investor Relations queries please contact:**

**Sanjay K. Mundra**  
**Shriram Transport Finance Co. Ltd**  
Email: [smundra@stfc.in](mailto:smundra@stfc.in)  
Tel. No. +91-22-40959507

### **About Shriram Transport Finance Co. Ltd.**

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of over Rs 227.96bn. The company is a leader in organized financing of pre-owned trucks with strategic presence in 5-12 year old trucks and a market share of 20-25%. It has a pan-India presence with a network of 6 regional offices, 50 SBUs and 470 branches, and employs 13,002 employees including 6,537 field officers. The company has built a strong customer base of over 0.6mn. Over the past 29 years, it has developed strong competencies in the areas of loan origination, valuation of pre-owned trucks and collection. It has a vertically integrated business model and offers a number of products which include: Pre-owned CV financing, New CV financing and other loans like accidental repair loans, tyre loans and working capital finance, etc. The company is supported by strong institutional investors like TPG New Bridge, Chrys Capital, Tiger Global, Blue Ridge, Citicorp, & Axis Bank providing it growth capital support. For more information please visit [www.stfc.in](http://www.stfc.in)

### **Forward Looking Statement**

*Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.*