



## Investor Update

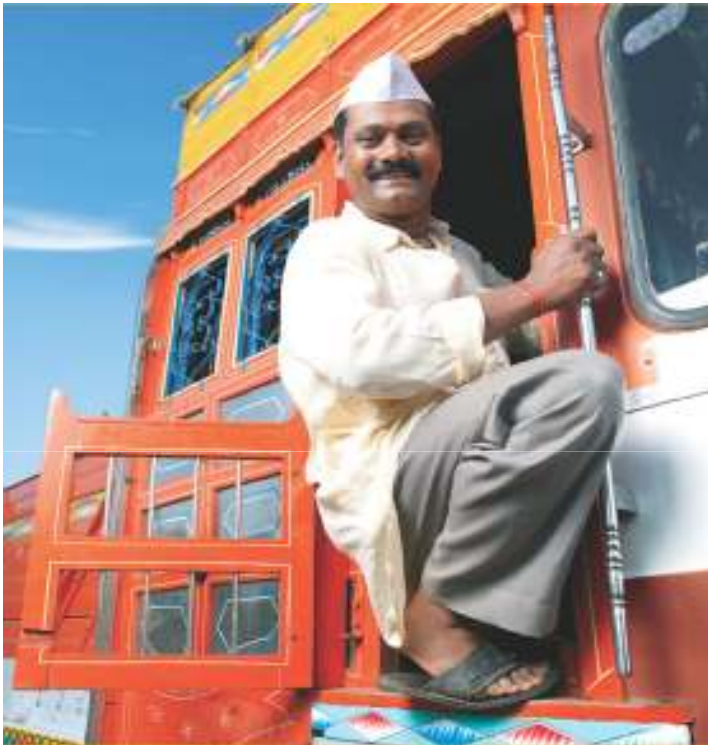
**Shriram Transport Finance Company Ltd.**

**Q1 FY 10 (April, 09 to June, 09)**



July 24, 2009

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INDIA'S LARGEST ASSET-FINANCING NBFC.

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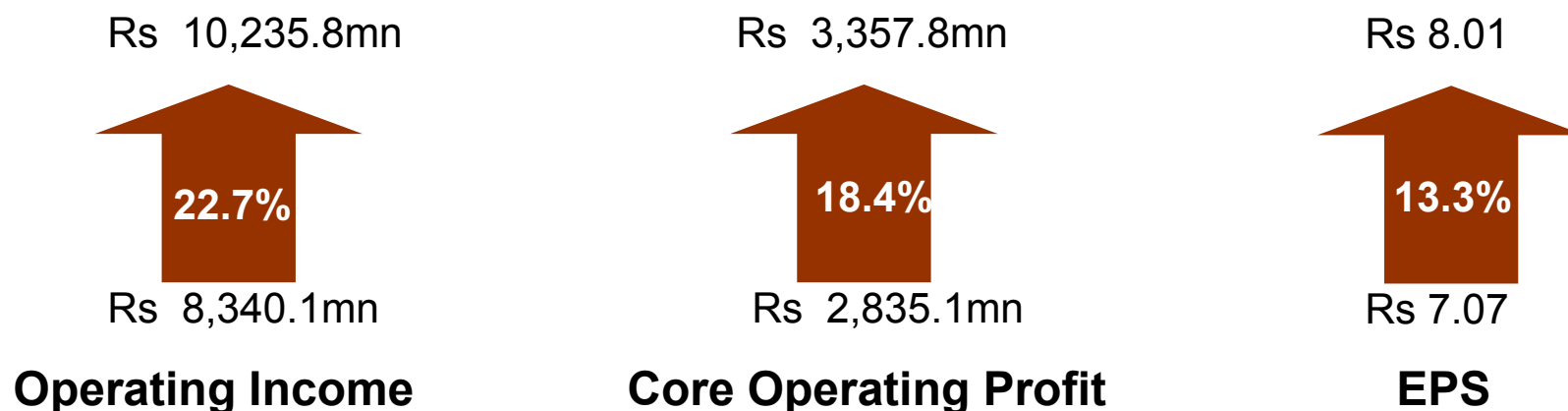
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**Financial Statements**

# Sustained Quarterly Growth Trend Continues



## Performance Review Q1 FY'10 Vs. Q1 FY'09



➔ **Strong growth in operating income driven by growth across key revenue streams:**

- ✓ Fund-based Income up 22.5% to Rs 9,135.2 mn from Rs 7,456.2 mn
- ✓ Securitisation Income up 18.3% to Rs 1,036.9 mn from Rs 876.4 mn (securitised asset portfolio of Rs 1,946 mn during Q1 FY'10)

➔ **Growing operating profits by 17.8% to Rs 3,418.3 mn from Rs 2,902.0 mn**

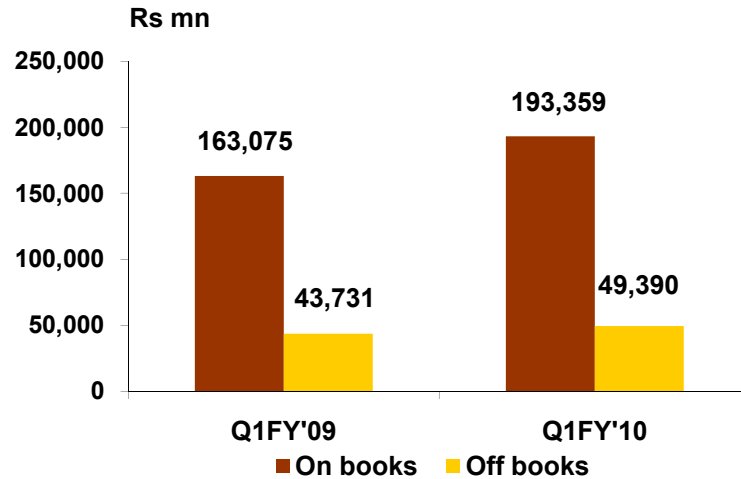
➔ **Yield on Truck Receivables increased to 18.71% from 18.58% .**

➔ **Healthy asset quality** with Gross NPAs increased marginally to 2.22% from 2.14% (QoQ) and Net NPAs declining to 0.81% from 0.83%

# Driven by Growing AUM



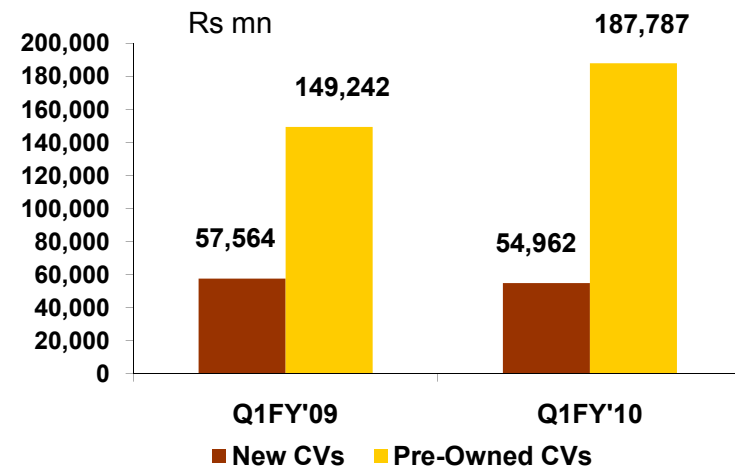
## Assets under Management (On books & Off books)



➔ 17.4% growth in total Assets under Management to Rs. 242.75 bn

## Assets under Management (New & Pre-owned CVs)

➔ 77.36% of total Assets under Management in pre-owned CV to Rs 187.79 bn

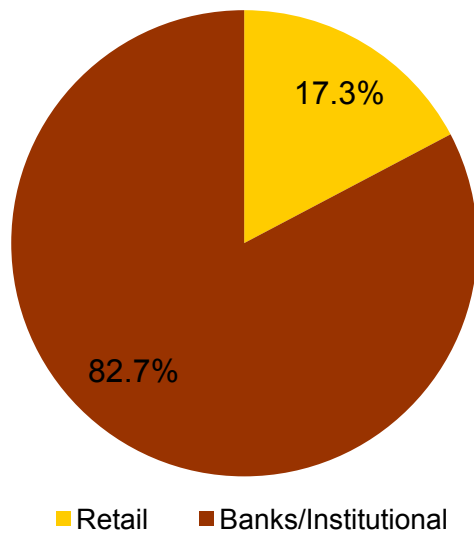


# Supported by a Healthy Borrowing Profile

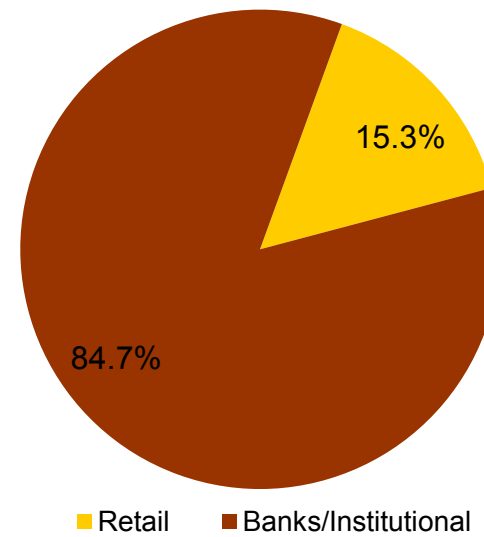


## Borrowing Profile

Q1 FY'09 – Rs 148.66 bn



Q1 FY'10 – Rs 201.66 bn



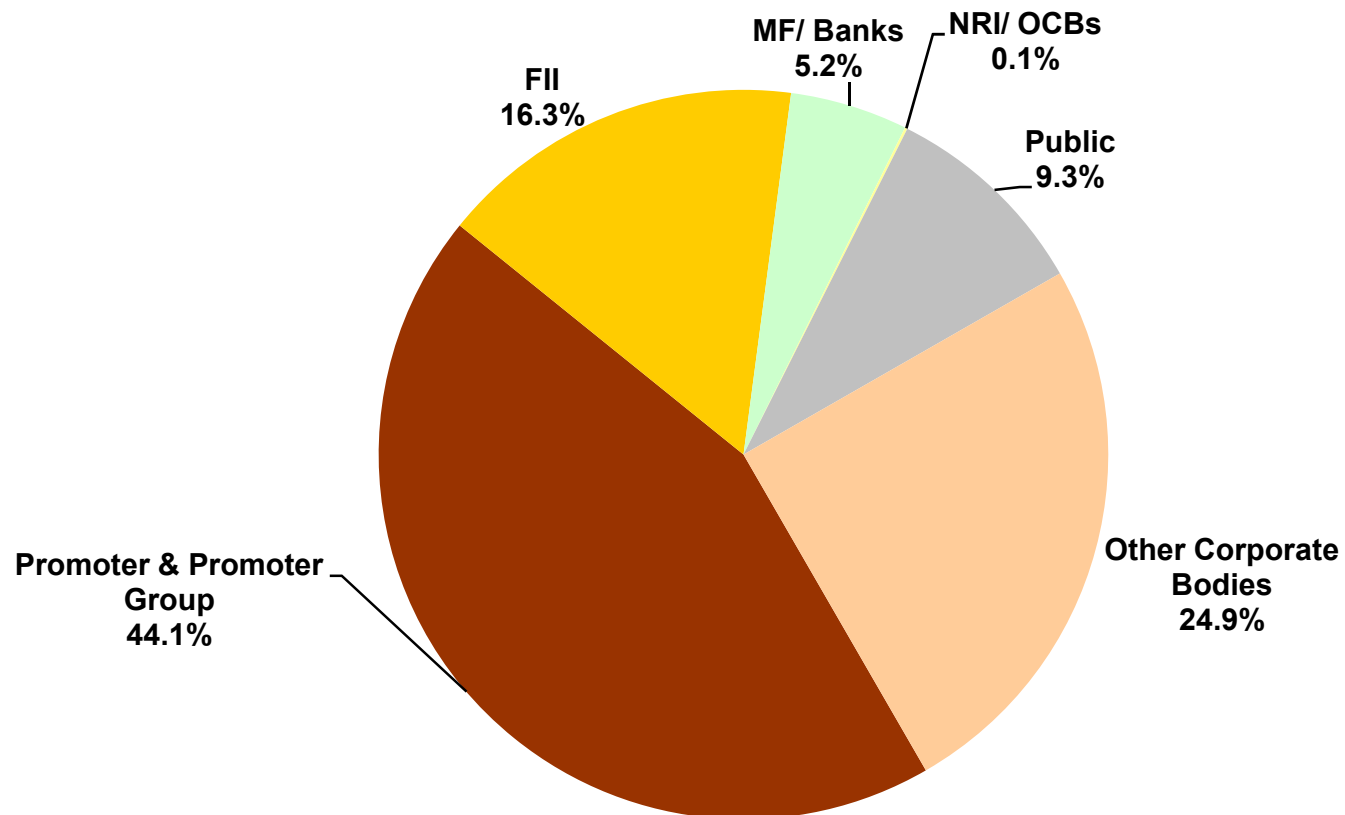
# With Growing Support Infrastructure



- ➔ **Strengthened the marketing set-up** with addition of 3 branch offices to take the branch network to 482
- ➔ **Pan India presence** with 53 SBUs
- ➔ **Total number of employees** 11,805 including 5,939 field officers

## Shareholding Structure as on 30th. June, 2009

No. of shares outstanding: 211.55mn



## Profit and Loss Statement

	<i>Rs mn</i>					
<b>Profit &amp; Loss Statement</b>	<b>Q1 FY'09</b>	<b>Q4 FY'09</b>	<b>Q1 FY'10</b>	<b>YoY %</b>	<b>QoQ %</b>	<b>FY'09</b>
Income from Financing operations						
- Fund Based	7,456.2	8,876.6	9,135.2	22.5%	2.9%	33,487.5
- Income from Securitisation	876.4	706.0	1,036.9	18.3%	46.9%	3,169.5
- Fees for trading	-	-	62.0			
- Fee based	7.5	3.0	1.7	-76.8%	-41.4%	21.9
<b>Operating Income</b>	<b>8,340.1</b>	<b>9,585.6</b>	<b>10,235.8</b>	<b>22.7%</b>	<b>6.8%</b>	<b>36,678.9</b>
Interest expended	4,227.2	5,061.0	5,384.3	27.4%	6.4%	19,279.4
Personnel cost	481.4	503.0	558.3	16.0%	11.0%	2,005.4
Operating expenditure	796.4	1,009.3	935.4	17.4%	-7.3%	3,542.6
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>2,835.1</b>	<b>3,012.3</b>	<b>3,357.8</b>	<b>18.4%</b>	<b>11.5%</b>	<b>11,851.5</b>
Other Income	66.9	158.0	60.5	-9.6%	-61.7%	412.3
<b>Operating Profit</b>	<b>2,902.0</b>	<b>3,170.3</b>	<b>3,418.3</b>	<b>17.8%</b>	<b>7.8%</b>	<b>12,263.8</b>
Provisions for Bad Debts	694.7	819.8	949.2	36.6%	15.8%	3,057.5
<b>PBT</b>	<b>2,207.3</b>	<b>2,350.5</b>	<b>2,469.1</b>	<b>11.9%</b>	<b>5.0%</b>	<b>9,206.3</b>
Tax	771.2	812.0	825.0	7.0%	1.6%	3,082.3
<b>PAT</b>	<b>1,436.1</b>	<b>1,538.5</b>	<b>1,644.1</b>	<b>14.5%</b>	<b>6.9%</b>	<b>6,124.0</b>
<b>EPS (Rs)</b>	<b>7.07</b>	<b>7.56</b>	<b>8.01</b>	<b>13.3%</b>	<b>6.0%</b>	<b>30.11</b>
<b>Book Value (Rs)</b>	<b>96.53</b>	<b>113.82</b>	<b>127.54</b>	<b>32.1%</b>	<b>12.1%</b>	<b>113.82</b>
<b>Key Ratios (%)</b>	<b>Q1 FY'09</b>	<b>Q4 FY'09</b>	<b>Q1 FY'10</b>			<b>FY'09</b>
<b>Yield on Truck Receivables</b>	<b>18.58%</b>	<b>18.70%</b>	<b>18.71%</b>			<b>18.66%</b>
Yield on Interest earning assets	17.11%	16.30%	15.64%			17.15%
Cost of interest bearing Liabilities	10.92%	10.37%	10.24%			11.08%
Net Interest Margin	7.41%	7.01%	6.42%			7.28%
Return on Avg. Net Worth	30.41%	26.91%	26.23%			29.11%
Return on Avg. Assets	3.13%	2.69%	2.65%			2.99%
Fee-Income % of Total income	0.36%	0.12%	0.07%			0.06%
Interest Coverage Ratio	198.88%	192.52%	191.23%			192.39%



## Balance Sheet

	<i>Rs mn</i>					
	Q1 FY'09	Q4 FY'09	Q1 FY'10	YoY %	QoQ %	FY'09
<b>Balance Sheet</b>						
<b>Liabilities</b>						
Shareholder Funds						
Equity Capital	2,032.5	2,035.4	2,115.7	4.1%	3.9%	2,035.4
Reserves	17,586.3	21,131.0	24,868.9	41.4%	17.7%	21,131.0
Preference Capital						
Loans						
Secured	114,428.0	167,745.9	170,365.7	48.9%	1.6%	167,745.9
Unsecured	34,227.8	33,467.2	31,293.2	-8.6%	-6.5%	33,467.2
Current Liabilities	16,598.3	21,586.4	22,039.3	32.8%	2.1%	21,586.4
Deferred Tax Liability	183.8	0.0	0.0	-100.0%	0.0%	0.0
<b>Total</b>	<b>185,056.7</b>	<b>245,965.9</b>	<b>250,682.8</b>	<b>35.5%</b>	<b>1.9%</b>	<b>245,965.9</b>
<b>Assets</b>						
Fixed Assets	1,335.5	1,342.7	1,279.0	-4.2%	-4.7%	1,342.7
Loans & Advances	810.3	690.9	773.5	-4.6%	12.0%	690.9
Cash & Bank balances	14,650.3	53,649.9	37,610.4	156.7%	-29.9%	53,649.9
Investments	3,564.4	6,547.6	13,243.9	271.6%	102.3%	6,547.6
Truck receivables	163,050.3	179,215.7	193,346.2	18.6%	7.9%	179,215.7
Deferred Tax Asset	0.0	263.9	263.9	0.0%	0.0%	263.9
Current Assets	1,645.9	4,255.2	4,165.9	153.1%	-2.1%	4,255.2
<b>Total</b>	<b>185,056.7</b>	<b>245,965.9</b>	<b>250,682.8</b>	<b>35.5%</b>	<b>1.9%</b>	<b>245,965.9</b>
<b>Spread Analysis</b>	<b>Q1 FY'09</b>	<b>Q4 FY'09</b>	<b>Q1 FY'10</b>			<b>FY'09</b>
Total Income/ Avg. total assets	18.35%	17.01%	16.59%			18.10%
Interest cost/ Avg. total assets	9.23%	8.84%	8.67%			9.12%
<b>Gross Spread</b>	<b>9.12%</b>	<b>8.17%</b>	<b>7.92%</b>			<b>8.98%</b>
NPA provisioning/ Avg. total assets	1.52%	1.43%	1.53%			1.49%
Overhead Cost/ Avg. total assets	2.79%	2.64%	2.41%			3.00%
<b>Net Spread</b>	<b>4.81%</b>	<b>4.10%</b>	<b>3.98%</b>			<b>4.49%</b>

# Contact Us



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

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of over Rs 242.75 bn. 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 53 SBUs and 482 branches, and employs 11,805 employees including 5,939 field officers. The company has built a strong customer base of over 0.6mn. Over the past 30 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 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.*