

# Shriram Transport Finance Company Ltd.



**Investor Update**

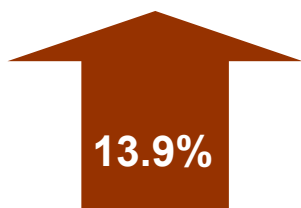
**July 26, 2011**

**Q1 FY 2011 - 12 (April, 2011 to June, 2011)**

# Sustained Quarterly Growth Trend Continues

## Performance Review Q1 FY'11 Vs. Q1 FY'12

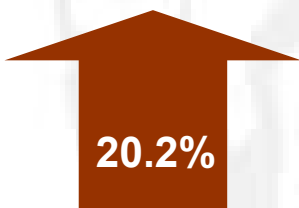
Rs 14,654.3 mn



Rs 12,869.3 mn

**Total Income**

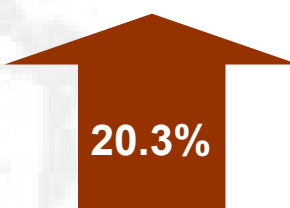
Rs 3,473.0 mn



Rs 2,889.4 mn

**PAT**

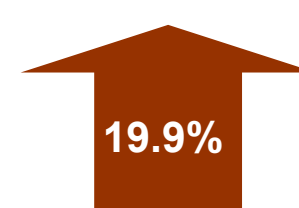
Rs 8,145.9 mn



Rs 6,771.7 mn

**Net Interest Income\***

Rs 15.36



Rs 12.81

**EPS**

### → Strong growth in operating income driven by growth across key revenue streams:

- ✓ Securitisation Income (net) up by 50.6% to Rs 5,491.8 mn from Rs 3,645.9 mn (securitised asset portfolio of Rs 1,665 mn during Q1 FY'12)

### → Growing operating profits by 23.4% to Rs 6,944.9 mn from Rs 5,626.1 mn

- Net spread increased to 6.45% from 6.37% due to
  - ✓ Decrease in interest cost to 7.3% from 8.3%

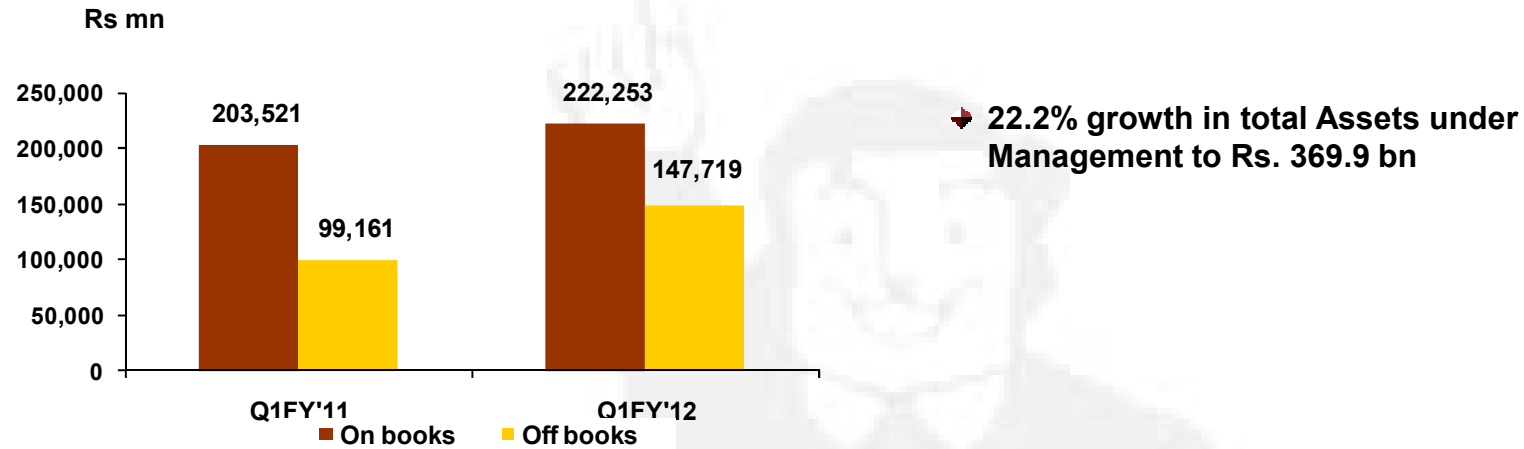
### → Healthy asset quality with Gross NPAs & Net NPA stood at 2.66% & 0.49% and the Net NPA in absolute amount stands at Rs. 1,089.5 mn against 880.5 mn

### → Added 2,232 new employees to take the total strength to 16,486 from 14,254 including 9,439 field officers and reduced 433 employees from 16,919 to 16,486 (QoQ)

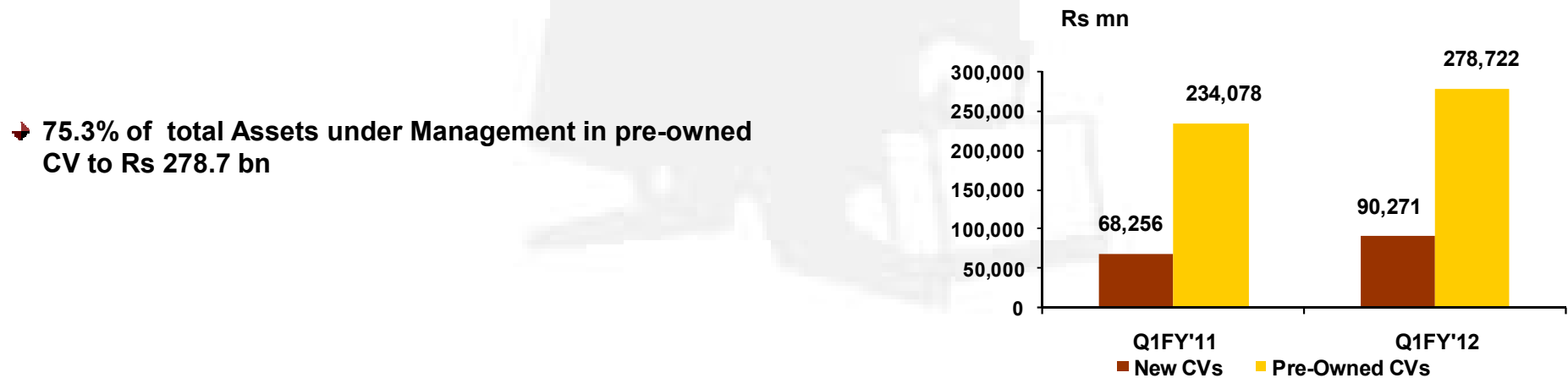
\* including Securitisation Income

# Driven by Growing AUM

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



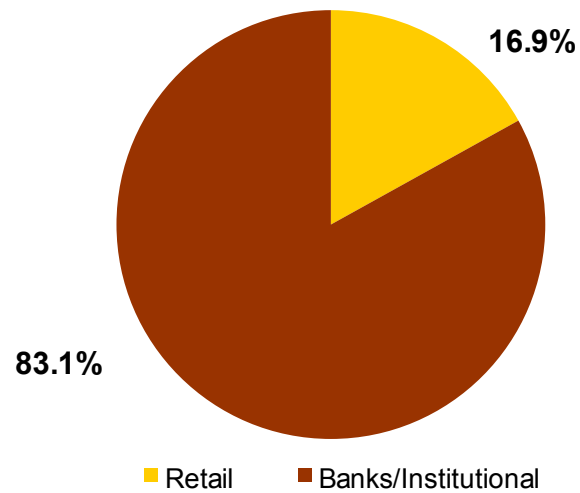
## Assets under Management (New & Pre-owned CVs)



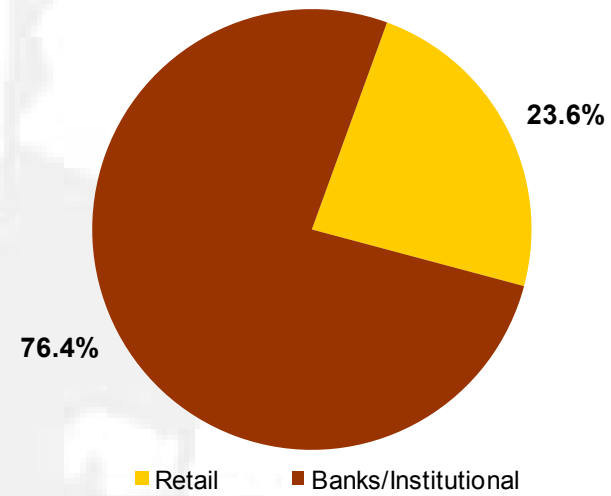
# Supported by a Healthy Borrowing Profile

## Borrowing Profile

Q1 FY'11 – Rs 195.3 bn



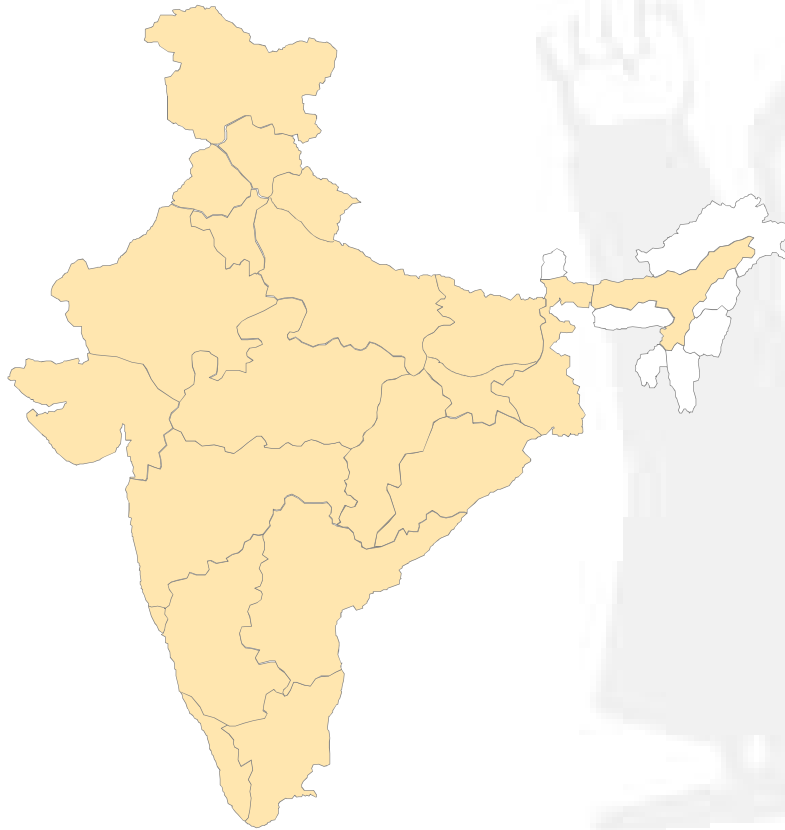
Q1 FY'12 – Rs 193.7 bn



# Geographical Reach & Proximity to the Customer



## Branch Locations Across India



States with STFC Presence

## Pan-India Presence

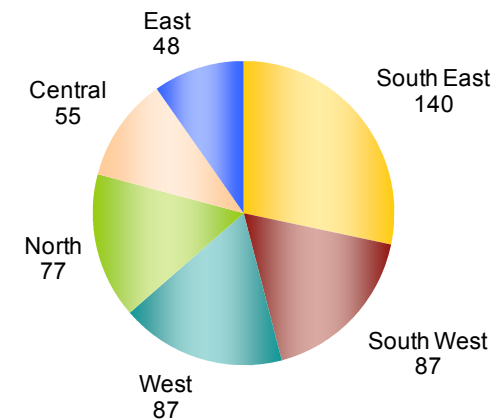
**69** SBUs

**494** Branch Offices

Tie up with **Over 500** Private Financiers

**16,486** Employee including **9,439** Field Officers

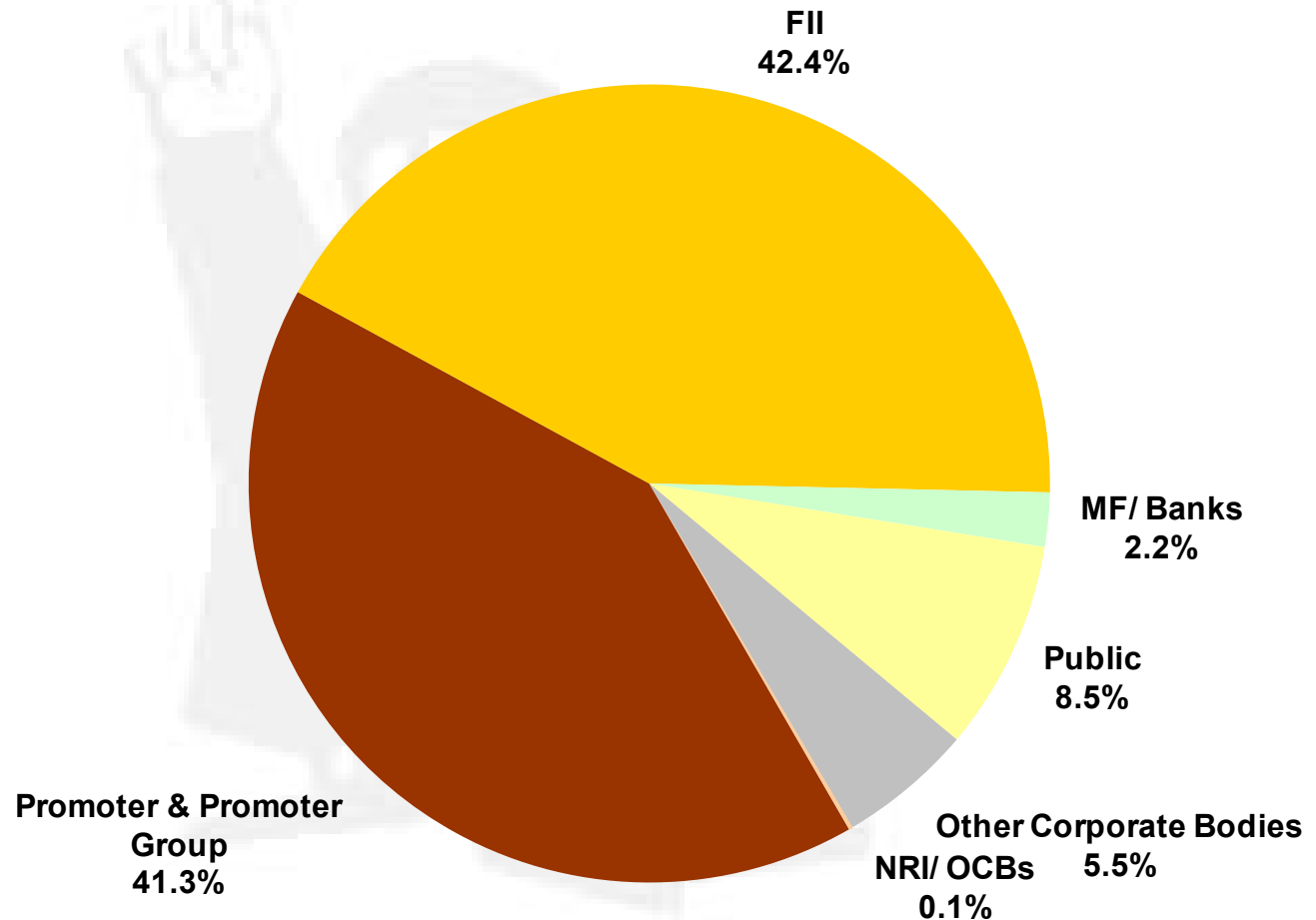
## Regional Split of Branches



As on June 30, 2011

# Shareholding Structure as on June 30, 2011

No. of shares outstanding: 226.18mn



## Profit and Loss Statement

	<i>Rs mn</i>					
<b>Profit &amp; Loss Statement</b>	<b>Q1 FY'11</b>	<b>Q4 FY'11</b>	<b>Q1 FY'12</b>	<b>YoY %</b>	<b>QoQ %</b>	<b>FY'11</b>
Interest Income	8,738.8	9,033.6	8,368.4	-4.24%	-7.36%	37,114.7
Interest expended	5,613.0	5,790.9	5,714.3	1.80%	-1.32%	23,007.9
<b>Net Interest Income</b>	<b>3,125.8</b>	<b>3,242.7</b>	<b>2,654.1</b>	<b>-15.09%</b>	<b>-18.15%</b>	<b>14,106.8</b>
Income from Securitisation	3,769.8	4,666.7	5,809.2	54.10%	24.48%	16,226.5
Less : Securitisation expenses	123.9	199.7	317.4	156.14%	58.96%	878.3
<b>Income from Securitisation (Net)</b>	<b>3,645.9</b>	<b>4,467.0</b>	<b>5,491.8</b>	<b>50.63%</b>	<b>22.94%</b>	<b>15,348.2</b>
<b>Net Interest Income including Income from Securitisation</b>	<b>6,771.7</b>	<b>7,709.7</b>	<b>8,145.9</b>	<b>20.29%</b>	<b>5.66%</b>	<b>29,455.0</b>
Fees for trading	60.6	62.4	0.0	-100.00%	-100.00%	270.3
<b>Operating Income</b>	<b>6,832.3</b>	<b>7,772.1</b>	<b>8,145.9</b>	<b>19.23%</b>	<b>4.81%</b>	<b>29,725.3</b>
Operating expenditure	1,506.4	1,549.4	1,677.7	11.37%	8.28%	6,373.3
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>5,325.9</b>	<b>6,222.8</b>	<b>6,468.2</b>	<b>21.45%</b>	<b>3.94%</b>	<b>23,352.0</b>
Other Income	300.2	111.9	476.7	58.79%	326.04%	685.0
<b>Operating Profit</b>	<b>5,626.1</b>	<b>6,334.7</b>	<b>6,944.9</b>	<b>23.44%</b>	<b>9.63%</b>	<b>24,037.0</b>
Provisions for Bad Debts	1,280.8	1,280.5	1,681.5	31.28%	31.32%	5,059.5
Provisions against Standard Assets	-	(64.5)	63.7	0.00%	-198.78%	488.17
<b>PBT</b>	<b>4,345.3</b>	<b>5,118.7</b>	<b>5,199.7</b>	<b>19.66%</b>	<b>1.58%</b>	<b>18,489.3</b>
Tax	1,455.8	1,712.5	1,726.7	18.60%	0.83%	6,190.5
<b>PAT</b>	<b>2,889.5</b>	<b>3,406.2</b>	<b>3,473.0</b>	<b>20.19%</b>	<b>1.96%</b>	<b>12,298.8</b>
<b>EPS (Rs)</b>	<b>12.81</b>	<b>15.06</b>	<b>15.36</b>	<b>19.91%</b>	<b>1.99%</b>	<b>54.49</b>
<b>Total CRAR %</b>	<b>23.23%</b>	<b>24.85%</b>	<b>23.44%</b>	<b>0.90%</b>	<b>-5.67%</b>	<b>24.85%</b>
<b>Book Value (Rs)</b>	<b>181.13</b>	<b>215.22</b>	<b>230.59</b>	<b>27.31%</b>	<b>7.14%</b>	<b>215.22</b>

<b>Key Ratios (%)</b>	<b>Q1 FY'11</b>	<b>Q4 FY'11</b>	<b>Q1 FY'12</b>			<b>FY'11</b>
Return on Avg. Net Worth	28.99%	28.46%	27.36%			27.94%
Return on Avg. Assets	4.24%	4.39%	4.30%			4.20%
Interest Coverage Ratio	229.28%	239.59%	256.45%			235.99%

## Balance Sheet

	<i>Rs mn</i>					
<b>Balance Sheet</b>	<b>Q1 FY'11</b>	<b>Q4 FY'11</b>	<b>Q1 FY'12</b>	<b>YoY %</b>	<b>QoQ %</b>	<b>FY'11</b>
<b>Liabilities</b>						
Shareholder funds						
Equity Capital	2,255.4	2,261.8	2,262.1	0.30%	0.01%	2,261.8
Reserves	39,060.7	46,782.1	50,257.8	28.67%	7.43%	46,782.1
Preference Capital						
Loans						
Secured	155,565.6	148,693.8	143,172.0	-7.97%	-3.71%	148,693.8
Unsecured	39,723.9	50,123.4	50,498.4	27.12%	0.75%	50,123.4
Current Liabilities	48,324.8	68,223.4	89,313.0	84.82%	30.91%	68,223.4
<b>Total</b>	<b>284,930.4</b>	<b>316,084.5</b>	<b>335,503.3</b>	<b>17.75%</b>	<b>6.14%</b>	<b>316,084.5</b>
<b>Assets</b>						
Fixed Assets	448.5	384.3	370.0	-17.49%	-3.72%	384.3
Loans & Advances	1,339.7	1,548.8	1,707.5	27.46%	10.24%	1,548.8
Cash & Bank balances	40,078.5	36,251.1	62,567.8	56.11%	72.60%	36,251.1
Investments	17,665.7	36,507.0	8,679.6	-50.87%	-76.22%	36,507.0
Truck receivables	203,172.6	197,690.0	221,273.7	8.91%	11.93%	197,690.0
Deferred Tax Asset	879.0	1,536.9	1,732.3	97.08%	12.72%	1,536.9
Current Assets	21,346.4	42,166.4	39,172.4	83.51%	-7.10%	42,166.4
<b>Total</b>	<b>284,930.4</b>	<b>316,084.5</b>	<b>335,503.3</b>	<b>17.75%</b>	<b>6.14%</b>	<b>316,084.5</b>
<b>Spread Analysis</b>	<b>Q1 FY'11</b>	<b>Q4 FY'11</b>	<b>Q1 FY'12</b>			<b>FY'11</b>
Total Income/ Avg. total assets	18.89%	17.90%	18.16%			18.53%
Interest cost/ Avg. total assets	8.33%	7.50%	7.33%			8.01%
<b>Gross Spread</b>	<b>10.56%</b>	<b>10.40%</b>	<b>10.83%</b>			<b>10.52%</b>
NPA provisioning/ Avg. total assets	1.88%	1.65%	2.08%			1.73%
Provisioning for standard assets/ Avg. total assets	0.00%	-0.08%	0.08%			0.00%
Overhead Cost/ Avg. total assets	2.31%	2.23%	2.22%			2.32%
<b>Net Spread</b>	<b>6.37%</b>	<b>6.60%</b>	<b>6.45%</b>			<b>6.47%</b>



## Details of Key Parameters (Profit & Loss Account)

Particulars		Q1 FY 2010 11	Q4 FY 2010 11	Q1 FY 2011 12	% YoY	% QoQ	Year ended FY 2011
Total Income	mn	12,869.3	13,874.7	14,654.3	13.87%	5.62%	54,296.5
Interest Income	mn	8,738.8	9,033.6	8,368.4	-4.24%	-7.36%	37,114.7
Securitisation Income	mn	3,645.9	4,467.0	5,491.8	50.63%	22.94%	15,348.2
Total Interest Income	mn	12,384.7	13,500.6	13,860.2	11.91%	2.66%	52,462.9
Less : Interest Expenses	mn	5,613.0	5,790.9	5,714.3	1.80%	-1.32%	23,007.9
Net Interest Income	mn	6,771.7	7,709.7	8,145.9	20.29%	5.66%	29,455.0
Other Income	mn	300.2	111.9	476.7	58.79%	326.01%	685.0
Fee for Trading	mn	60.6	62.4	0.0	-100.00%	-100.00%	270.3
Operating Income	mn	7,132.5	7,884.0	8,622.6	20.89%	9.37%	30,410.3
Cost to Income Ratio	%	21.12	19.65	19.46	-7.86%	-0.97%	20.96
Profit after Tax	mn	2,889.4	3,406.2	3,473.0	20.20%	1.96%	12,298.8
EPS	Rs.	12.81	15.06	15.36	19.91%	1.99%	54.49
ROA	%	4.24	4.39	4.30	1.42%	-2.05%	4.20
ROE	%	28.99	28.46	27.36	-5.62%	-3.87%	27.94
NIM (on AUM)	%	7.85	7.65	7.91	0.76%	3.40%	7.98

## Details of Key Parameters (Balance Sheet)

Particulars		Q1 FY 2010 11	Q4 FY 2010 11	Q1 FY 2011 12	% YoY	% QoQ	Year ended FY 2011
<b>Asset under Management</b>							
- On Books	mn	203,521.1	198,656.1	222,252.9	9.20%	11.88%	198,656.1
- Off Books	mn	99,160.6	163,170.2	147,719.3	48.97%	-9.47%	163,170.2
<b>Total AUM</b>	<b>mn</b>	<b>302,681.7</b>	<b>361,826.3</b>	<b>369,972.2</b>	<b>22.23%</b>	<b>2.25%</b>	<b>361,826.3</b>
<b>Disbursement</b>							
- Used CV	mn	33,331.3	44,842.6	37,089.9	11.28%	-17.29%	149,239.4
- New CV	mn	6,404.8	17,169.7	10,752.1	67.88%	-37.38%	49,597.5
<b>Total Disbursement</b>	<b>mn</b>	<b>39,736.1</b>	<b>62,012.3</b>	<b>47,842.0</b>	<b>20.40%</b>	<b>-22.85%</b>	<b>198,836.9</b>
<b>Securitisation done</b>	<b>mn</b>	<b>-</b>	<b>60,974.0</b>	<b>1,665.0</b>	<b>-</b>	<b>-97.27%</b>	<b>102,036.0</b>
<b>Gross NPA</b>	<b>%</b>	<b>2.50</b>	<b>2.64</b>	<b>2.66</b>	<b>6.40%</b>	<b>0.76%</b>	<b>2.64</b>
<b>Net NPA</b>	<b>%</b>	<b>0.44</b>	<b>0.38</b>	<b>0.49</b>	<b>11.36%</b>	<b>28.95%</b>	<b>0.38</b>
<b>Gross NPA</b>	<b>mn</b>	<b>5,095.4</b>	<b>5,285.8</b>	<b>6,028.3</b>	<b>18.31%</b>	<b>14.05%</b>	<b>5,285.8</b>
<b>Net NPA</b>	<b>mn</b>	<b>880.5</b>	<b>744.6</b>	<b>1,089.5</b>	<b>23.74%</b>	<b>46.32%</b>	<b>744.6</b>
<b>Coverage Ratio</b>	<b>%</b>	<b>82.72</b>	<b>85.91</b>	<b>81.93</b>	<b>-0.96%</b>	<b>-4.63%</b>	<b>85.91</b>
<b>CRAR</b>	<b>%</b>	<b>23.23</b>	<b>24.85</b>	<b>23.44</b>	<b>0.90%</b>	<b>-5.67%</b>	<b>24.85</b>
<b>Book Value</b>	<b>Rs.</b>	<b>181.13</b>	<b>215.22</b>	<b>230.59</b>	<b>27.31%</b>	<b>7.14%</b>	<b>215.22</b>

### 1. Shriram Equipment Finance Company Limited.

Total Disbursement – Rs. 3,762.9 mn.

Assets under Finance - Rs. 9,575.2mn.

PAT – Rs. 74.13 mn.

### 2. Shriram Automall India Limited.

- ONE STOP - Launched in more than 400 branches.
- SHRIRAM NEW LOOK - Launched in the State of Tamil Nadu, Andhra Pradesh, Kerala & Karnataka.
- AUTOMALL - Chennai - Operation started from 26<sup>th</sup>. February, 2011
  - Baroda - Operation started from 30<sup>th</sup>. April, 2011
  - Delhi – Operation very shortly.
  - Mumbai – Work in Progress.

**3. Fees Income earned Rs. 77.7 mn in Q1 FY 2011 12 (Rs. 270.3 mn in FY 2010 11)**

## Subsidiary - Shriram Equipment Finance Company Limited



### Profit and Loss Statement

(Rs. In Mn)

	Quarter Ended June 30, 2011	Year Ended March 31, 2011
<b>INCOME</b>		
Income from financing activities	321.77	200.28
Other income	9.46	1.37
<b>Total</b>	<b>331.23</b>	<b>201.65</b>
<b>EXPENDITURE</b>		
Interest & other charges	143.53	23.62
Personnel expenses	36.37	60.35
Operating & other expenses	27.38	74.10
Depreciation and amortisation	1.29	2.84
Provisions & written off	9.08	15.85
<b>Total</b>	<b>217.64</b>	<b>176.76</b>
<b>Profit/(Loss) before taxation</b>	<b>113.59</b>	<b>24.89</b>
<b>Provision for taxation</b>		
Current Tax	41.96	18.43
Deffered Tax	(2.50)	(5.12)
<b>Total tax expense</b>	<b>39.45</b>	<b>13.32</b>
<b>Profit/(Loss) after Tax</b>	<b>74.13</b>	<b>11.57</b>
Balance brought forward from previous year	8.96	0.02
<b>Profit available for appropriation</b>	<b>83.09</b>	<b>11.45</b>
<b>APPROPRIATIONS:</b>		
Dividend on Preference shares	-	0.15
Tax on Preference dividend	-	0.02
Transfer to statutory reserve	-	2.32
<b>Surplus /(Deficit) carried to Balance Sheet</b>	<b>83.09</b>	<b>8.96</b>
<b>Earnings per share</b>		
Basic and Diluted	7.41	2.00
Nominal value of equity share	10.00	10.00

# Subsidiary - Shriram Equipment Finance Company Limited



## Balance Sheet

(Rs. In Mn)

	As at June 30, 2011	As at March 31, 2011
<b>SOURCES OF FUNDS:</b>		
<b>Shareholders' Funds</b>		
Share capital	2,600.00	1,600.00
<b>Reserves &amp; Surplus</b>	85.41	11.28
<b>Loan Funds</b>		
Secured loans	3,493.93	3,000.00
Unsecured loans	3,505.11	1,116.78
<b>Total</b>	<b>9,684.44</b>	<b>5,728.06</b>
<b>APPLICATION OF FUNDS:</b>		
<b>Fixed and Intangible Assets</b>		
Gross block	15.66	15.32
Less : Accumulated depreciation and amortisation	4.12	2.84
Net block	<b>11.55</b>	<b>12.48</b>
<b>Deferred Tax Assets (net)</b>	7.70	5.20
<b>Current Assets, Loans and Advances</b>		
Assets under financing activities	9,575.23	6,341.61
Cash & Bank Balances	1,434.90	1,336.66
Other current assets	0.43	0.81
	11,010.56	7,679.08
Loans & advances	7.88	4.38
	11,018.43	7,683.46
<b>Less : Current Liabilities &amp; Provisions</b>		
Current liabilities	1,303.84	1,935.82
Provisions	49.40	37.26
	1,353.24	1,973.08
<b>Net Current Assets</b>	<b>9,665.20</b>	<b>5,710.38</b>
<b>Total</b>	<b>9,684.44</b>	<b>5,728.06</b>

## Subsidiary - Shriram Automall India Limited

### Profit and Loss Statement



(Rs. in Mn)

	Period ended June 30, 2011	Year ended March 31, 2011
<b>Income</b>		
Income from Operations	312.58	621.63
Other income	0.87	0.00
<b>Total</b>	<b>313.45</b>	<b>621.63</b>
<b>Expenditure</b>		
Purchase of commercial vehicles	366.09	692.42
Refurbishment expenses	10.81	27.15
Adjustment due to decrease/(increase) in stock of commercial vehicles	(151.09)	(129.36)
Personnel expenses	41.31	69.13
Operating & other expenses	51.60	99.18
Interest & other charges	9.17	0.00
Depreciation and amortisation	3.70	1.86
<b>Total</b>	<b>331.59</b>	<b>760.38</b>
<b>Profit/(Loss) before taxation</b>	(18.13)	(138.75)
<b>Provision for taxation</b>		
Current tax	-	-
Deferred tax	(0.83)	0.40
<b>Total tax expense / (income)</b>	<b>(0.83)</b>	<b>0.40</b>
<b>Profit/(Loss) after taxation</b>	(17.30)	(139.15)
Profit/(Loss) brought forward from previous year	(139.21)	(0.05)
<b>Surplus/(Loss) carried to Balance Sheet</b>	<b>(156.51)</b>	<b>(139.20)</b>
<b>Earnings/(Loss) per share</b>		
Basic & Diluted (Rs.)	(1.71)	(35.99)
Nominal Value of Share (Rs.)	<b>10.00</b>	<b>10.00</b>

## Subsidiary - Shriram Automall India Limited

### Balance Sheet



(Rs. in Mn)

	As at June 30, 2011	As at March 31, 2011
<b>SOURCES OF FUNDS</b>		
<b>Shareholders' Funds</b>		
Share capital	200.00	100.00
<b>Loan Funds</b>		
Unsecured Loan - From Holding Company	425.65	275.59
Deferred Tax Liability (Net)	-	0.40
<b>Total</b>	<b>625.65</b>	<b>375.99</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed and Intangible Assets</b>		
Gross block	37.24	32.91
Less : Accumulated depreciation and amortisation	5.56	1.86
<b>Net block</b>	<b>31.68</b>	<b>31.05</b>
<b>Capital Work in Progress</b>	<b>66.86</b>	<b>27.88</b>
<b>Deferred tax asset</b>	0.43	-
<b>Current Assets, Loans and Advances</b>		
- Stock in Trade	280.45	129.36
- Sundry debtors	1.43	-
- Cash and bank balances	129.76	53.89
- Loans and advances	64.84	62.38
	476.48	245.63
<b>Less : Current Liabilities &amp; Provisions</b>		
Current liabilities	96.95	67.71
Provisions	9.36	0.09
	106.31	67.80
<b>Net Current Assets</b>	<b>370.17</b>	<b>177.83</b>
Profit and Loss Account	156.51	139.20
<b>Total</b>	<b>625.65</b>	<b>375.99</b>



**For any Investor Relations  
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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 Rs 369.97 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 around 25%. It has a pan-India presence with a network of 69 SBUs and 494 branches, and employs 16,486 employees including 9,439 field officers. The company has built a strong customer base of over 0.80 mn. Over the past 33 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. 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.*



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**Thank You**