

# Shriram Transport Finance Company Ltd.



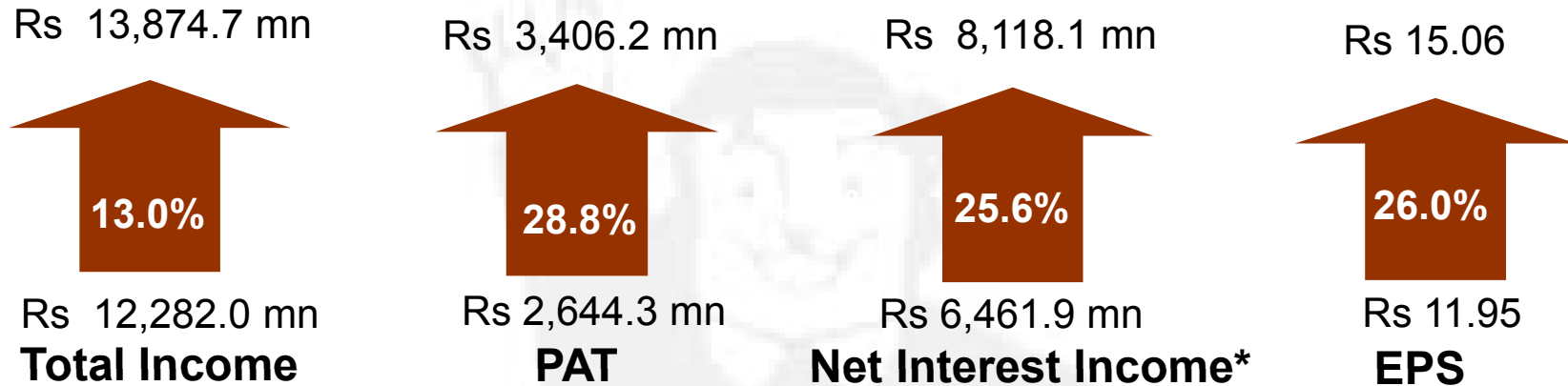
**Investor Update**

**April 29, 2011**

**Q4 FY 2010 - 11 (January, 2011 to March, 2011)**

# Sustained Quarterly Growth Trend Continues

## Performance Review Q4 FY'10 Vs. Q4 FY'11



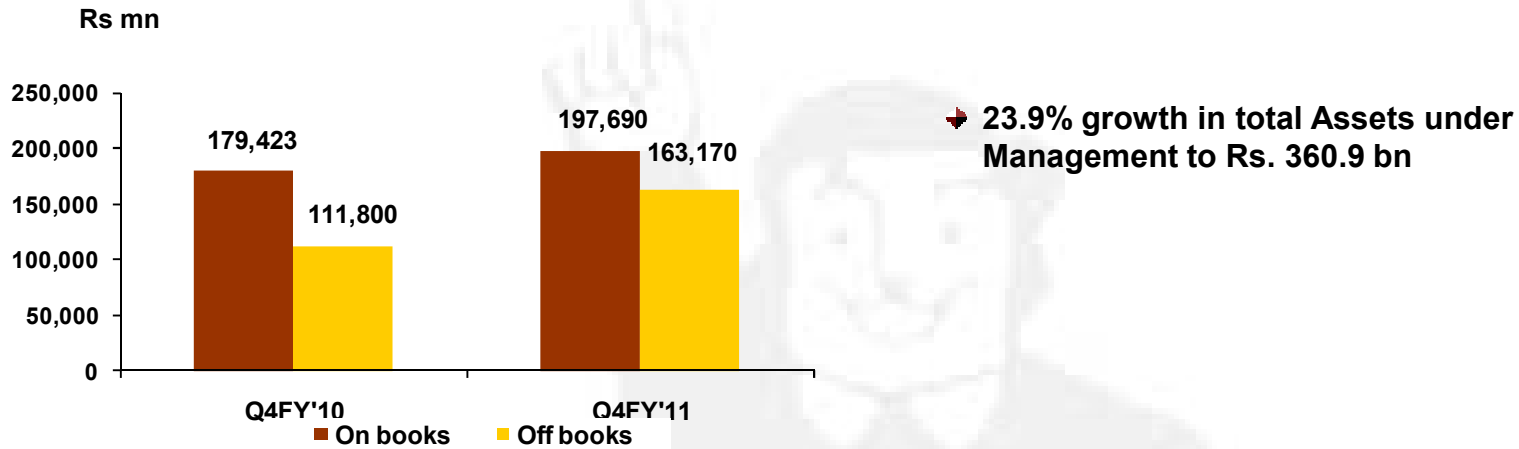
- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
  - ✓ Securitisation Income up by 43.4% to Rs 4,647.8 mn from Rs 3,241.5 mn (securitised asset portfolio of Rs 60,974 mn during Q4 FY'11)
  - ✓ Fee for Trading earned Rs. 62.4 mn
- ➔ **Growing operating profits** by 23.3% to Rs 6,334.7 mn from Rs 5,138.0 mn
- ➔ **Net spread increased** to 6.61% from 6.01% due to
  - ✓ **Increase in yield** to 17.9% from 17.7%
  - ✓ **Decrease in interest cost** to 7.2% from 8.0%
- ➔ **Healthy asset quality** with Gross NPAs & Net NPA reduced from 2.83% & 0.71% to 2.64% & 0.38% respectively and the Net NPA in absolute amount stands at Rs. 744.6 mn against 1,248.7 mn
- ➔ **Recommended a Final Dividend** of Rs. 4 (40%) per share in addition to interim dividend of Rs. 2.50 (25%) per share making total dividend of Rs. 6.50 (65%) against Rs. 6.00 (60%) per share paid for 2009 10.
- ➔ **Added 3,102 new employees** to take the total strength to 16,919 from 13,817 including 9,830 field officers and added 972 new employees from 15,947 to 16,919 (QoQ)

\* including Securitisation Income

# Driven by Growing AUM

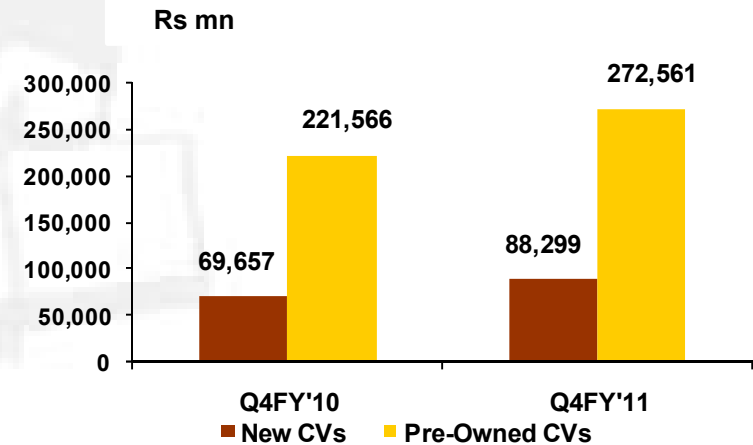


## Assets under Management (On books & Off books)



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

→ 75.5% of total Assets under Management in pre-owned CV to Rs 272.6 bn

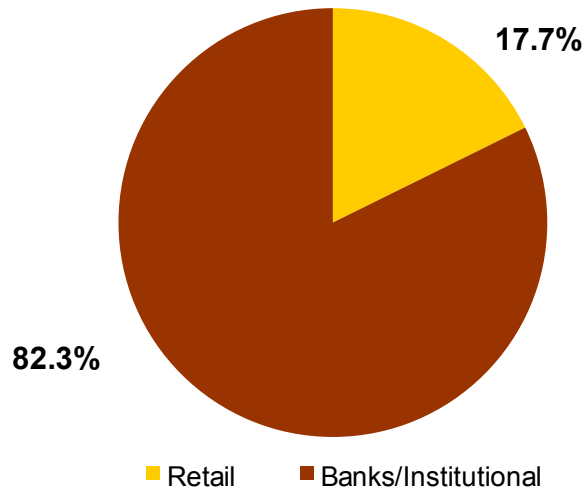


# Supported by a Healthy Borrowing Profile

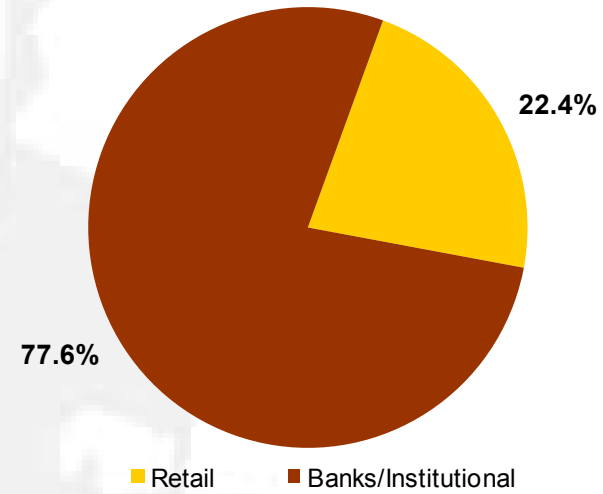


## Borrowing Profile

Q4 FY'10 – Rs 184.6 bn



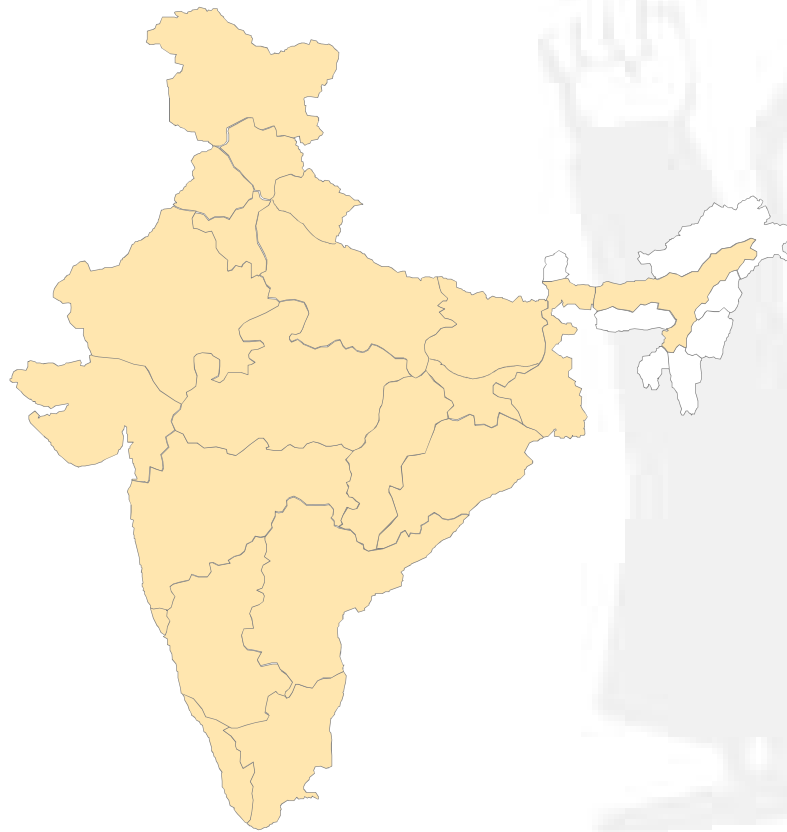
Q4 FY'11 – Rs 198.8 bn



# Geographical Reach & Proximity to the Customer



## Branch Locations Across India



States with STFC Presence

## Pan-India Presence

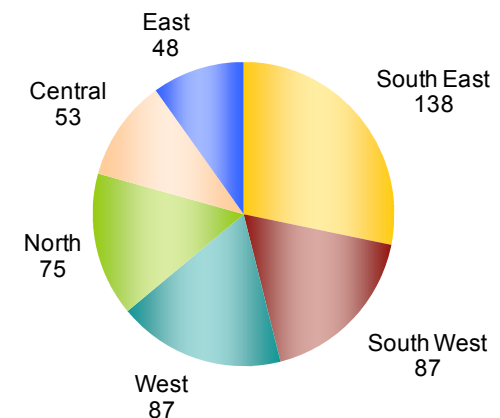
**68** SBUs

**488** Branch Offices

Tie up with **Over 500** Private Financiers

**16,919** Employee including **9,830** Field Officers

## Regional Split of Branches

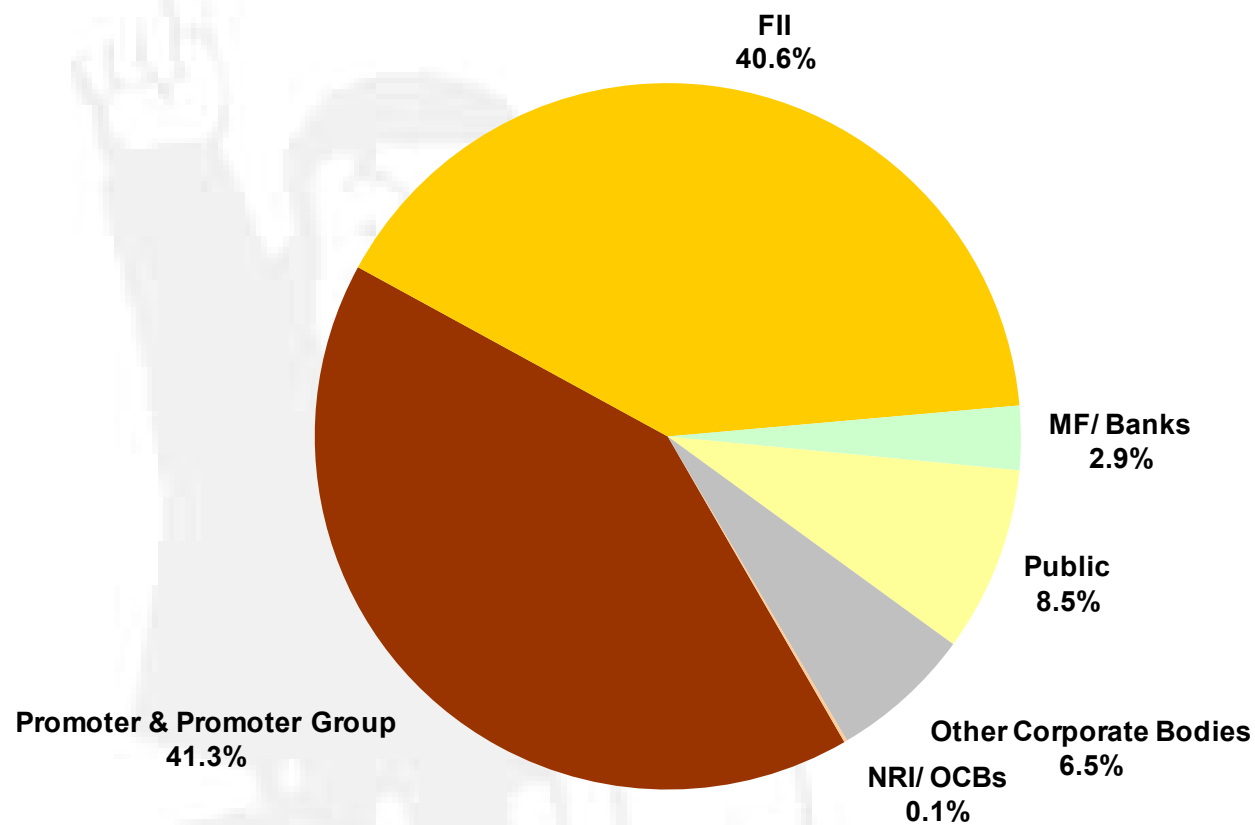


As on March 31, 2011

# Shareholding Structure as on March 31, 2011



No. of shares outstanding: 226.16mn



## Profit and Loss Statement

	<i>Rs mn</i>									
<b>Profit &amp; Loss Statement</b>	<b>Q4 FY'10</b>	<b>Q1 FY'11</b>	<b>Q2 FY'11</b>	<b>Q3 FY'11</b>	<b>Q4 FY'11</b>	<b>YoY %</b>	<b>QoQ %</b>	<b>FY'10</b>	<b>FY'11</b>	<b>YoY %</b>
Interest Income	8,741.9	8,739.7	9,561.8	9,784.1	9,027.9	3.27%	-7.73%	37,506.7	37,113.5	-1.0%
Interest expended	5,521.5	5,450.4	5,577.9	5,396.1	5,557.6	0.65%	2.99%	21,862.2	21,982.0	0.55%
Net Interest Income	3,220.4	3,289.3	3,983.9	4,388.0	3,470.3	7.76%	-20.91%	15,644.5	15,131.5	-3.28%
Income from Securitisation	3,241.5	3,724.8	3,542.9	3,978.5	4,647.8	43.38%	16.82%	6,531.0	15,893.9	143.36%
<b>Net Interest Income including Income from Securitisation</b>	<b>6,461.9</b>	<b>7,014.1</b>	<b>7,526.8</b>	<b>8,366.5</b>	<b>8,118.1</b>	<b>25.63%</b>	<b>-2.97%</b>	<b>22,175.5</b>	<b>31,025.4</b>	<b>39.91%</b>
Fees for trading	81.8	60.6	85.5	61.8	62.4	-23.68%	0.94%	305.3	270.3	-11.47%
Other Operating Income	99.0	292.3	141.4	108.6	99.4	0.33%	-8.53%	270.9	641.7	136.91%
<b>Operating Income</b>	<b>6,642.7</b>	<b>7,367.0</b>	<b>7,753.7</b>	<b>8,536.9</b>	<b>8,279.9</b>	<b>24.65%</b>	<b>-3.01%</b>	<b>22,751.7</b>	<b>31,937.4</b>	<b>40.37%</b>
Operating expenditure	1,512.7	1,747.8	2,034.2	2,198.9	1,957.0	29.37%	-11.00%	5,511.9	7,937.8	44.01%
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>5,130.0</b>	<b>5,619.2</b>	<b>5,719.5</b>	<b>6,338.0</b>	<b>6,322.9</b>	<b>23.25%</b>	<b>-0.24%</b>	<b>17,239.8</b>	<b>23,999.6</b>	<b>39.21%</b>
Other Income	8.0	6.8	5.4	13.4	11.8	47.46%	-11.97%	74.9	37.4	-50.08%
<b>Operating Profit</b>	<b>5,138.0</b>	<b>5,626.0</b>	<b>5,724.9</b>	<b>6,351.4</b>	<b>6,334.7</b>	<b>23.29%</b>	<b>-0.26%</b>	<b>17,314.7</b>	<b>24,037.0</b>	<b>38.82%</b>
Provisions for Bad Debts	1,011.5	1,280.8	1,263.7	1,234.6	1,280.5	26.59%	3.72%	4,068.8	5,059.5	24.35%
Provisions against Standard Assets	-	-	-	552.7	(64.5)	0.00%	(1.12)	-	488.2	0.00%
<b>PBT</b>	<b>4,126.5</b>	<b>4,345.2</b>	<b>4,461.2</b>	<b>4,564.1</b>	<b>5,118.7</b>	<b>24.05%</b>	<b>12.15%</b>	<b>13,245.9</b>	<b>18,489.3</b>	<b>39.58%</b>
Tax	1,482.2	1,455.8	1,471.6	1,550.5	1,712.5	15.54%	10.45%	4,514.7	6,190.5	37.12%
<b>PAT</b>	<b>2,644.3</b>	<b>2,889.4</b>	<b>2,989.6</b>	<b>3,013.6</b>	<b>3,406.2</b>	<b>28.81%</b>	<b>13.03%</b>	<b>8,731.2</b>	<b>12,298.8</b>	<b>40.86%</b>
<b>EPS (Rs)</b>	<b>11.95</b>	<b>12.81</b>	<b>13.26</b>	<b>13.35</b>	<b>15.06</b>	<b>26.03%</b>	<b>12.81%</b>	<b>41.09</b>	<b>54.49</b>	<b>32.61%</b>
<b>Total CRAR %</b>	<b>21.35%</b>	<b>23.23%</b>	<b>23.73%</b>	<b>23.62%</b>	<b>24.80%</b>	<b>16.16%</b>	<b>4.98%</b>	<b>21.35%</b>	<b>24.80%</b>	<b>16.16%</b>
<b>Book Value (Rs)</b>	<b>168.74</b>	<b>181.13</b>	<b>194.57</b>	<b>204.68</b>	<b>215.22</b>	<b>27.55%</b>	<b>5.15%</b>	<b>168.74</b>	<b>215.22</b>	<b>27.55%</b>
<b>Key Ratios (%)</b>	<b>Q4 FY'10</b>	<b>Q1 FY'11</b>	<b>Q2 FY'11</b>	<b>Q3 FY'11</b>	<b>Q4 FY'11</b>	<b>YoY %</b>	<b>QoQ %</b>	<b>FY'10</b>	<b>FY'11</b>	<b>YoY %</b>
Return on Avg. Net Worth	30.49%	28.99%	27.93%	26.49%	28.46%	-6.66%	7.44%	29.65%	27.94%	-5.75%
Return on Avg. Assets	3.85%	4.24%	4.16%	3.99%	4.39%	14.24%	10.19%	3.31%	4.20%	26.78%
Interest Coverage Ratio	220.45%	235.29%	239.10%	258.45%	249.19%	13.04%	-3.58%	204.41%	245.46%	20.08%

## Balance Sheet



	<i>Rs mn</i>						
<b>Balance Sheet</b>	<b>FY'10</b>	<b>Q1 FY'11</b>	<b>Q2 FY'11</b>	<b>Q3 FY'11</b>	<b>FY'11</b>	<b>YoY %</b>	<b>QoQ %</b>
<b>Liabilities</b>							
Shareholder funds							
Equity Capital	2,255.4	2,255.4	2,255.6	2,261.8	2,261.8	0.29%	0.00%
Reserves	36,168.4	39,060.7	42,054.9	44,428.6	46,782.1	29.35%	5.30%
Loans							
Secured	151,724.8	155,565.6	154,052.3	161,992.4	148,693.8	-2.00%	-8.21%
Unsecured	32,874.3	39,723.9	49,381.6	49,434.6	50,123.4	52.47%	1.39%
Current Liabilities	46,535.9	48,324.8	54,437.9	54,989.1	68,223.4	46.60%	24.07%
<b>Total</b>	<b>269,558.8</b>	<b>284,930.4</b>	<b>302,182.3</b>	<b>313,106.5</b>	<b>316,084.5</b>	<b>17.26%</b>	<b>0.95%</b>
<b>Assets</b>							
Fixed Assets	464.5	448.5	427.8	404.0	384.3	-17.25%	-4.85%
Loans & Advances	912.9	1,381.9	1,620.5	1,678.5	1,590.3	74.20%	-5.25%
Cash & Bank balances	45,373.3	40,078.5	48,273.9	39,105.0	36,251.1	-20.10%	-7.30%
Investments	18,560.2	17,665.7	19,054.1	17,448.9	36,507.0	96.70%	109.22%
Truck receivables	179,422.7	203,172.6	204,485.4	224,043.5	197,690.0	10.18%	-11.76%
Deferred Tax Asset	747.2	879.0	1,046.9	1,358.5	1,536.9	105.68%	13.13%
Current Assets	24,078.0	21,304.2	27,273.7	29,068.1	42,124.9	74.95%	44.92%
<b>Total</b>	<b>269,558.8</b>	<b>284,930.4</b>	<b>302,182.3</b>	<b>313,106.5</b>	<b>316,084.5</b>	<b>17.26%</b>	<b>0.95%</b>
<b>Spread Analysis</b>	<b>Q4 FY'10</b>	<b>Q1 FY'11</b>	<b>Q2 FY'11</b>	<b>Q3 FY'11</b>	<b>Q4 FY'11</b>	<b>FY'10</b>	<b>FY'11</b>
Total Income/ Avg. total assets	17.71%	18.83%	18.57%	18.46%	17.87%	16.94%	18.41%
Interest cost/ Avg. total assets	8.03%	8.00%	7.77%	7.14%	7.17%	8.29%	7.50%
<b>Gross Spread</b>	<b>9.68%</b>	<b>10.83%</b>	<b>10.80%</b>	<b>11.32%</b>	<b>10.70%</b>	<b>8.65%</b>	<b>10.91%</b>
NPA provisioning/ Avg. total assets	1.47%	1.88%	1.76%	1.63%	1.65%	1.54%	1.73%
Provisioning for standard assets/ Avg. total assets	0.00%	0.00%	0.00%	0.73%	-0.08%	0.00%	0.17%
Overhead Cost/ Avg. total assets	2.20%	2.57%	2.83%	2.91%	2.52%	2.09%	2.71%
<b>Net Spread</b>	<b>6.01%</b>	<b>6.38%</b>	<b>6.21%</b>	<b>6.05%</b>	<b>6.61%</b>	<b>5.02%</b>	<b>6.30%</b>



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

Particulars		Q4 FY 2009 10	Q3 FY 2010 11	Q4 FY 2010 11	% YoY	% QoQ	Year ended FY 2010	Year ended FY 2011	% YoY
Total Income	mn	12,282.0	14,123.2	13,874.7	12.97%	-1.76%	44958.9	54,296.5	20.77%
Interest Income	mn	8,741.9	9,784.1	9,027.9	3.27%	-7.73%	37506.7	37,113.5	-1.05%
Securitisation Income	mn	3,241.5	3,978.5	4,647.8	43.38%	16.82%	6531.0	15,893.9	143.36%
Total Interest Income	mn	11,983.4	13,762.6	13,675.7	14.12%	-0.63%	44,037.7	53,007.4	20.37%
Less : Interest Expenses	mn	5,521.5	5,396.1	5,557.6	0.65%	2.99%	21862.2	21,982.0	0.55%
Net Interest Income	mn	6,461.9	8,366.5	8,118.1	25.63%	-2.97%	22,175.5	31,025.4	39.91%
Other Income	mn	107.0	122.0	111.2	3.93%	-8.85%	345.8	679.1	96.39%
Fee for Trading	mn	81.8	61.8	62.4	-23.72%	0.97%	305.3	270.3	-11.46%
Operating Income	mn	6,650.7	8,550.3	8,291.7	24.67%	-3.02%	22,826.6	31,974.8	40.08%
Cost to Income Ratio	%	22.75	25.72	23.60	3.74%	-8.24%	24.15	24.83	2.82%
Profit after Tax	mn	2,644.3	3,013.6	3,406.2	28.81%	13.03%	8731.2	12,298.8	40.86%
EPS	Rs.	11.95	13.35	15.06	26.03%	12.81%	41.09	54.49	32.61%
ROA	%	3.85	3.99	4.39	14.03%	10.03%	3.31	4.20	26.89%
ROE	%	30.49	26.49	28.46	-6.66%	7.44%	29.65	27.94	-5.77%
NIM (on AUM)	%	7.82	8.91	8.06	3.07%	-9.54%	7.27	8.36	14.99%

## Details of Key Parameters (Balance Sheet)

Particulars		Q4 FY 2009 10	Q3 FY 2010 11	Q4 FY 2010 11	% YoY	% QoQ	Year ended FY 2010	Year ended FY 2011	% YoY
<b>Asset under Management</b>									
- On Books	mn	179,422.7	224,043.5	197,690.1	10.18%	-11.76%	179,422.7	197,690.1	10.18%
- Off Books	mn	111,800.3	113,753.3	163,170.2	45.95%	43.44%	111,800.3	163,170.2	45.95%
<b>Total AUM</b>	mn	<b>291,223.0</b>	<b>337,796.8</b>	<b>360,860.3</b>	<b>23.91%</b>	<b>6.83%</b>	<b>291,223.0</b>	<b>360,860.3</b>	<b>23.91%</b>
<b>Disbursement</b>									
- Used CV	mn	30,897.3	36,428.2	44,842.6	45.13%	23.10%	118,294.2	149,239.4	26.16%
- New CV	mn	8,132.8	15,012.1	17,169.7	111.12%	14.37%	28,541.7	49,597.5	73.77%
<b>Total Disbursement</b>	mn	<b>39,030.1</b>	<b>51,440.3</b>	<b>62,012.3</b>	<b>58.88%</b>	<b>20.55%</b>	<b>146,835.9</b>	<b>198,836.9</b>	<b>35.41%</b>
<b>Securitisation done</b>	mn	<b>54,945.0</b>	<b>15,598.0</b>	<b>60,974.0</b>	<b>10.97%</b>	<b>290.91%</b>	<b>87,568.0</b>	<b>102,036.0</b>	<b>16.52%</b>
<b>Gross NPA</b>	%	<b>2.83</b>	<b>2.40</b>	<b>2.64</b>	<b>-6.71%</b>	<b>10.00%</b>	<b>2.83</b>	<b>2.64</b>	<b>-6.71%</b>
<b>Net NPA</b>	%	<b>0.71</b>	<b>0.47</b>	<b>0.38</b>	<b>-46.48%</b>	<b>-19.15%</b>	<b>0.71</b>	<b>0.38</b>	<b>-46.48%</b>
<b>Gross NPA</b>	mn	<b>5,112.7</b>	<b>5,428.4</b>	<b>5,285.8</b>	<b>3.39%</b>	<b>-2.63%</b>	<b>5,112.7</b>	<b>5,285.8</b>	<b>3.39%</b>
<b>Net NPA</b>	mn	<b>1,248.7</b>	<b>1,049.9</b>	<b>744.6</b>	<b>-40.37%</b>	<b>-29.08%</b>	<b>1,248.7</b>	<b>744.6</b>	<b>-40.37%</b>
<b>Coverage Ratio</b>	%	<b>75.58</b>	<b>80.66</b>	<b>85.91</b>	<b>13.67%</b>	<b>6.51%</b>	<b>75.58</b>	<b>85.91</b>	<b>13.67%</b>
<b>CRAR</b>	%	<b>21.35</b>	<b>23.62</b>	<b>24.80</b>	<b>16.16%</b>	<b>5.00%</b>	<b>21.35</b>	<b>24.80</b>	<b>16.16%</b>
<b>Book Value</b>	Rs.	<b>168.74</b>	<b>204.68</b>	<b>215.22</b>	<b>27.55%</b>	<b>5.15%</b>	<b>168.74</b>	<b>215.22</b>	<b>27.55%</b>

### 1. Shriram Equipment Finance Company Limited.

Total Disbursement – Rs. 6,564.34 mn.

Assets under Finance - Rs. 6,341.61mn.

PAT – Rs. 11.57 mn.

### 2. Shriram Automall India Limited.

- ONE STOP - Launched in more than 360 branches.
- SHRIRAM NEW LOOK - Launched in the State of Tamil Nadu, Andhra Pradesh, Kerala & Karnataka.
- AUTOMALL - Chennai - Operation started at Chennai on 26<sup>th</sup>. February, 2011
  - Baroda - Inauguration on 30<sup>th</sup>. April, 2011
  - Delhi - Work in Progress

**3. Fees Income earned** Rs. 270.3 mn in FY 2010 11 (Rs. 305.3 mn in FY 2009 10)

# Subsidiary - Shriram Equipment Finance Company Limited



## Profit and Loss Statement

	(Rs. Mn)
	For the year ended March 31, 2011
<b>INCOME</b>	
Income from financing activities	200.3
Other income	1.4
<b>Total</b>	<b>201.7</b>
<b>EXPENDITURE</b>	
Interest & other charges	23.6
Personnel expenses	60.4
Operating & other expenses	74.1
Depreciation and amortisation	2.8
Provision for standard assets	15.9
<b>Total</b>	<b>176.8</b>
<b>Profit/(Loss) before taxation</b>	<b>24.9</b>
<b>Provision for taxation</b>	
Current Tax	18.4
Deffered Tax	(5.1)
Provision for income tax (previous year)	0.0
<b>Total tax expense</b>	<b>13.3</b>
<b>Profit/(Loss) after Tax</b>	<b>11.6</b>
Balance brought forward from previous year	(0.1)
<b>Profit available for appropriation</b>	<b>11.5</b>
<b>APPROPRIATIONS:</b>	
Dividend on Preference shares	0.2
Tax on Preference dividend	0.0
Transfer to statutory reserve	2.3
<b>Surplus /(Deficit) carried to Balance Sheet</b>	<b>9.0</b>
<b>Earnings per share</b>	
Basic and Diluted	2.00
Nominal Value of Share	10.00

# Subsidiary - Shriram Equipment Finance Company Limited



## Balance Sheet

	(Rs. Mn)
	As at March 31 2011
<b>Shareholders' Funds</b>	
Share capital	1,600.0
<b>Reserves &amp; Surplus</b>	
Profit & Loss Account	11.3
<b>Loan Funds</b>	
Secured loans	3,000.0
Unsecured loans	1,116.8
<b>Total</b>	<b>5,728.1</b>
<b>Fixed Assets</b>	
Gross block	15.3
Less : Accumulated depreciation and amortisation	2.8
Net block	<b>12.5</b>
<b>Defered Tax Assets (net)</b>	5.2
<b>Current Assets, Loans and Advances</b>	
Assets under financing activities	6,341.6
Cash & Bank Balances	1,336.7
Other current assets	0.8
	7,679.1
Other loans & advances	4.4
	7,683.5
<b>Less : Current Liabilities &amp; Provisions</b>	
Current liabilities	1,935.8
Provisions	37.3
	1,973.1
<b>Net Current Assets</b>	5,710.4
<b>Debit balance in Profit &amp; Loss Account</b>	-
<b>Total</b>	<b>5,728.1</b>

## Subsidiary - Shriram Automall India Limited

### Profit and Loss Statement



	(Rs. Mn)
	Year ended March 31, 2011
<b>Income</b>	
Income from Operations	621.63
<b>Total</b>	<b>621.63</b>
<b>Expenditure</b>	
Purchase of commercial vehicles	692.42
Refurbishment expenses	27.15
Adjustment due to decrease/(increase) in stock of commercial vehicles	(129.36)
Personnel expenses	69.13
Operating & other expenses	99.18
Depreciation and amortisation	1.86
<b>Total</b>	<b>760.38</b>
<b>Profit/(Loss) before taxation</b>	(138.75)
<b>Provision for taxation</b>	
Deferred tax	0.40
<b>Total tax expense / (income)</b>	<b>0.40</b>
<b>Profit/(Loss) after taxation</b>	(139.15)
Profit/(Loss) brought forward from previous year	(0.05)
<b>Surplus/(Loss) carried to Balance Sheet</b>	<b>(139.21)</b>
<b>Earnings/(Loss) per share</b>	
Basic & Diluted (Rs.)	(35.99)
Nominal Value of Share (Rs.)	<b>10.00</b>

# Subsidiary - Shriram Automall India Limited



## Balance Sheet

(Rs. Mn)

	As at March 31, 2011
<b>Shareholders' Funds</b>	
Share capital	100.00
<b>Loan Funds</b>	
Unsecured Loan - From Holding Company	275.59
Deferred Tax Liability (Net)	0.40
<b>Total</b>	<b>375.98</b>
<b>Fixed and Intangible Assets</b>	
Gross block	32.91
Less : Accumulated depreciation and amortisation	1.86
<b>Net block</b>	<b>31.05</b>
<b>Capital Work in Progress</b>	<b>27.88</b>
<b>Deferred tax asset</b>	-
<b>Current Assets, Loans and Advances</b>	
- Stock in Trade	129.36
- Sundry debtors	-
- Cash and bank balances	53.89
- Loans and advances	62.38
	245.64
<b>Less : Current Liabilities &amp; Provisions</b>	
Current liabilities	67.71
Provisions	0.09
	67.80
<b>Net Current Assets</b>	<b>177.84</b>
Profit and Loss Account	139.21
<b>Total</b>	<b>375.98</b>



**For any Investor Relations  
queries please contact**

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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 360.8 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 68 SBUs and 488 branches, and employs 16,919 employees including 9,830 field officers. The company has built a strong customer base of over 0.75 mn. Over the past 32 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.*



**Thank You**

