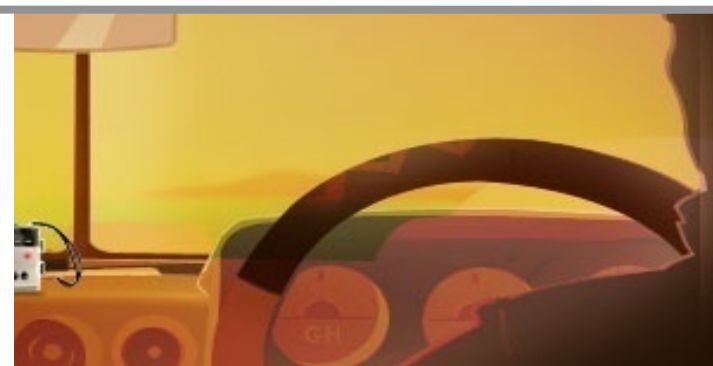


# Shriram Transport Finance Company Ltd.



**Investor Presentation**

**February 10, 2012**

# Contents

**1 Company Snapshot**

**2 Business Analysis**

**3 Recent Performance**

**4 Industry Opportunity**

**5 Annexures**



INDIA'S LARGEST ASSET-FINANCING NBFC.



## 1 Company Snapshot

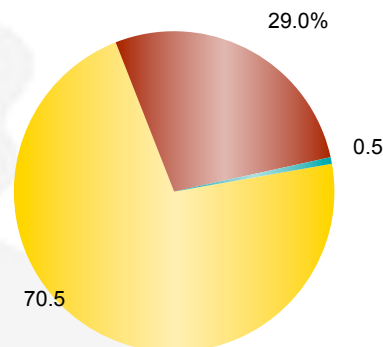


# Market Leader in High-Yield Pre-Owned CV Financing

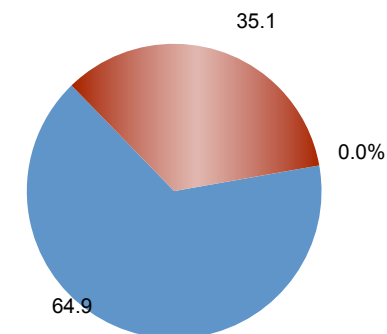
- ❑ **Shriram Transport Finance Company Limited (STFC) is one of the largest asset financing NBFC** with approximately 20-25% market share in pre-owned and approximately 7-8% market share in new truck financing
- ❑ **Strategically present in high yield - pre-owned CV financing** with expertise in loan origination, valuation and collection
- ❑ **Expanded product portfolio** to include financing of tractors, small commercial vehicles, 3-wheelers, passenger commercial vehicles and construction equipment
- ❑ **Large customer base** in excess of 0.8 mn as of December 31, 2011
- ❑ **Employee strength** of approximately 15,679 including 8,716 product/credit executives as of December 31, 2011
- ❑ **Listed on the National Stock Exchange and Bombay Stock Exchange** with a market capitalisation of over Rs. 132 bn
- ❑ **Equity investment** from reputed private equity and institutional investors including TPG

## Operating Revenue Break Up

**Q3 FY11 – Rs. 13.56 bn**



**Q3 FY12 – Rs. 14.34 bn**



## Large Assets Under Management ( as on December 31, 2011)

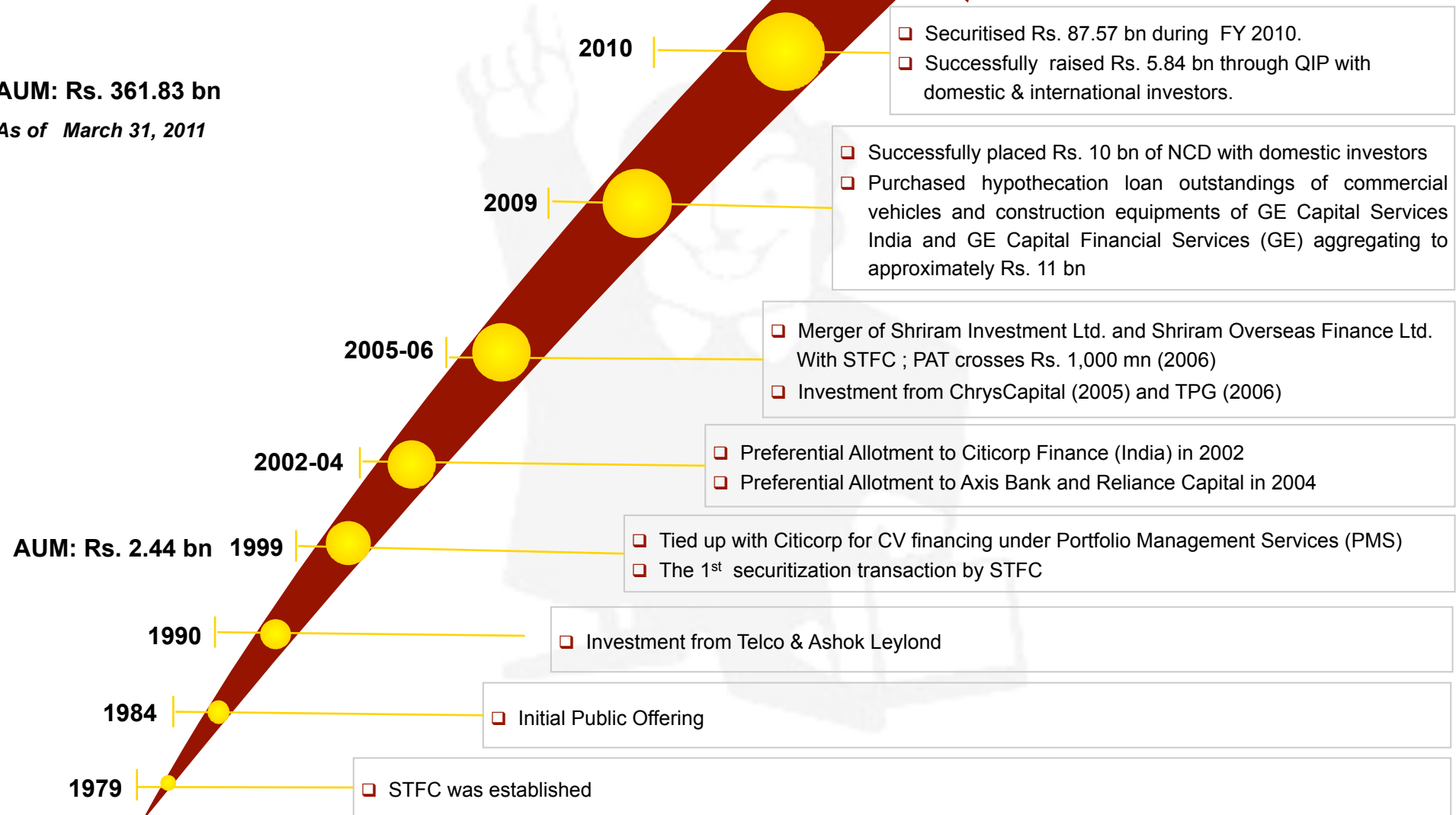
- ❑ Total Assets Under Management (AUM) of Rs. 380.76 bn
  - Pre-Owned CV: Approximately Rs. 301.71 bn
  - New CV: Approximately Rs. 89.70 bn
  - Others: Approximately Rs. 1.19bn

## Extensive Distribution Network

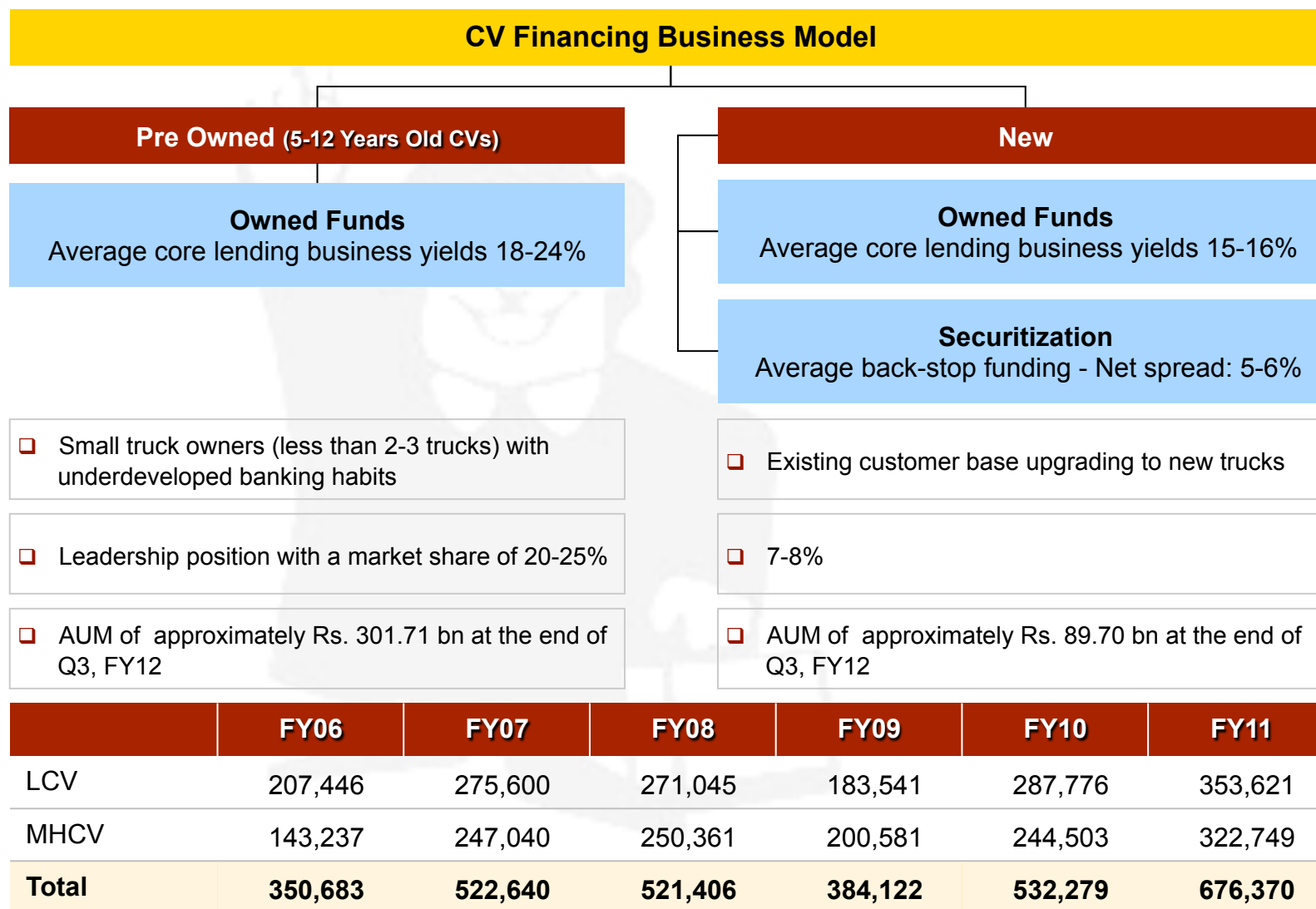
- ❑ Pan-India presence through a network of
  - 69 Strategic Business Units (SBUs)
  - 498 branch offices
- ❑ Partnership with over 500 Private Financiers

# Corporate History

**AUM: Rs. 361.83 bn**  
As of March 31, 2011

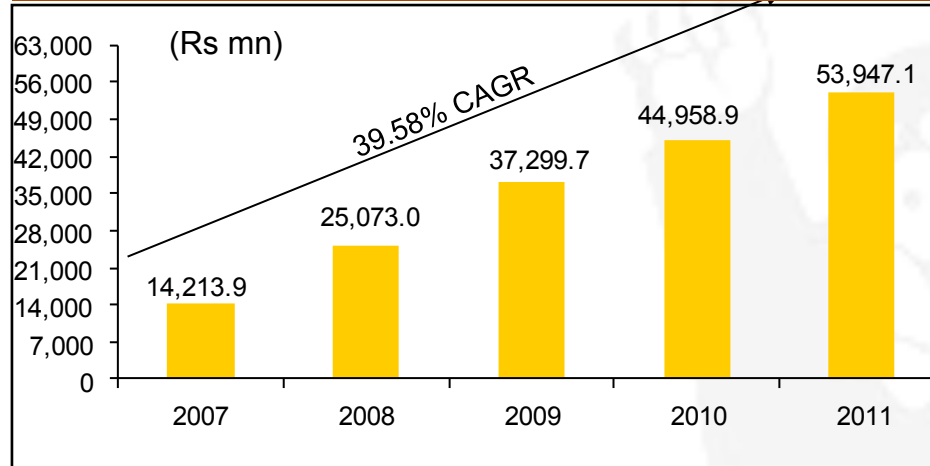


# Unique Business Model

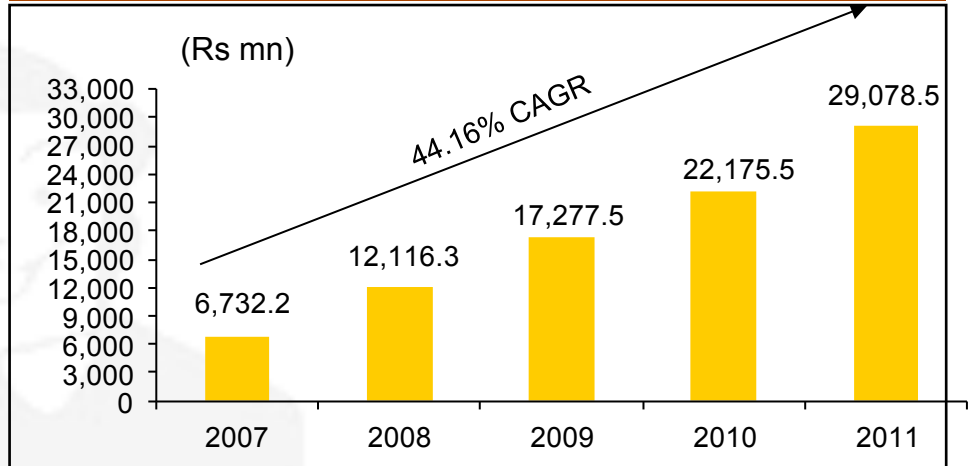


# With a Strong Financial Track Record

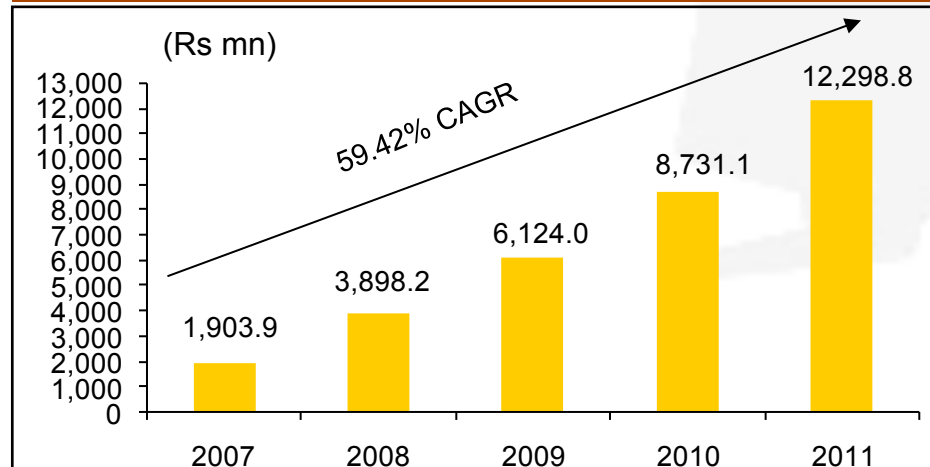
## Total Income



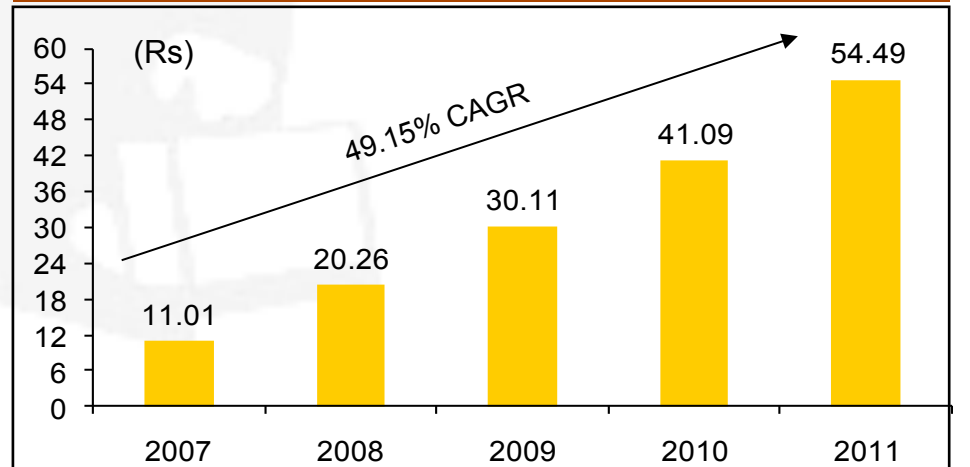
## Net Interest Income



## Net Profit

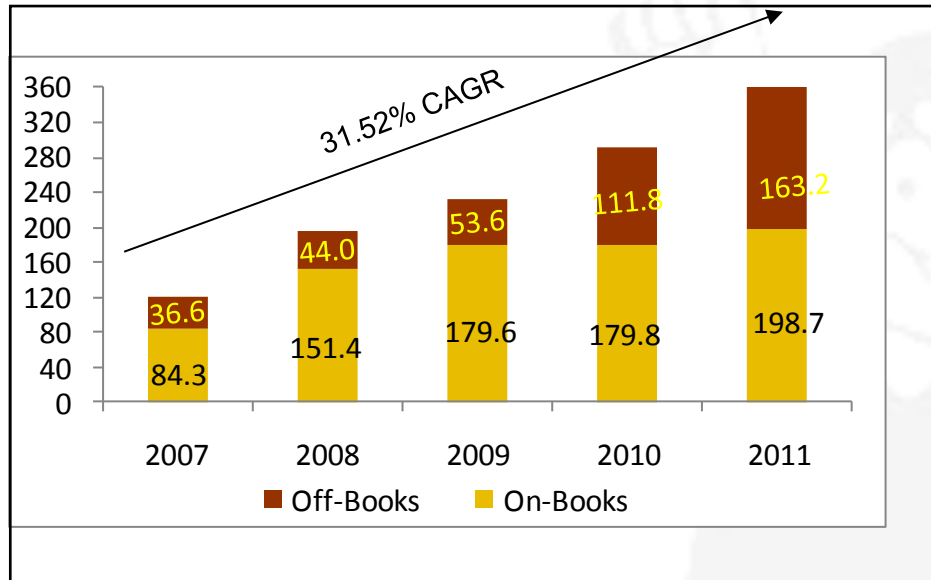


## EPS

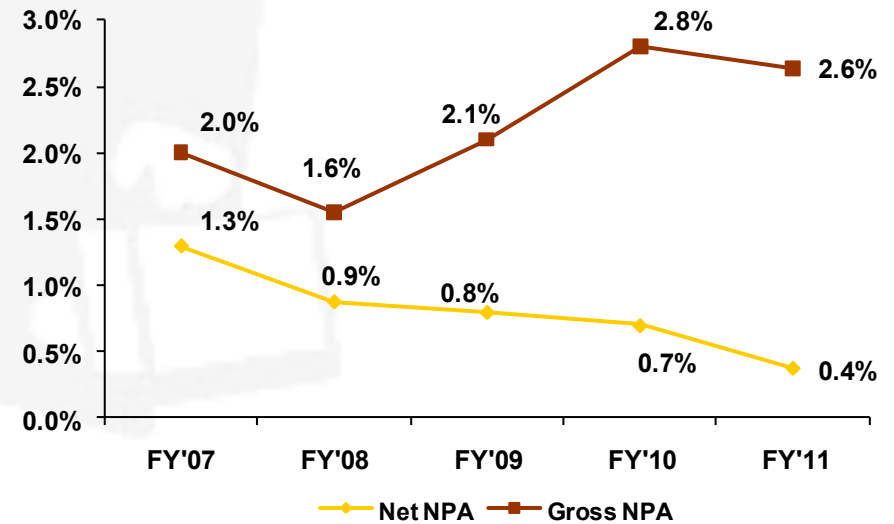


# Driven by Fast Growth in AUM with Low NPAs

## AUM (Rs bn)



## NPA Levels







---

## **2** Business Analysis

# Strengths

**1**

**Widespread Geographical Reach**

**2**

**Valuation Skills & Recovery/Collection Operation**

**3**

**Strong Balance Sheet**

**4**

**Strong Management Team**

**5**

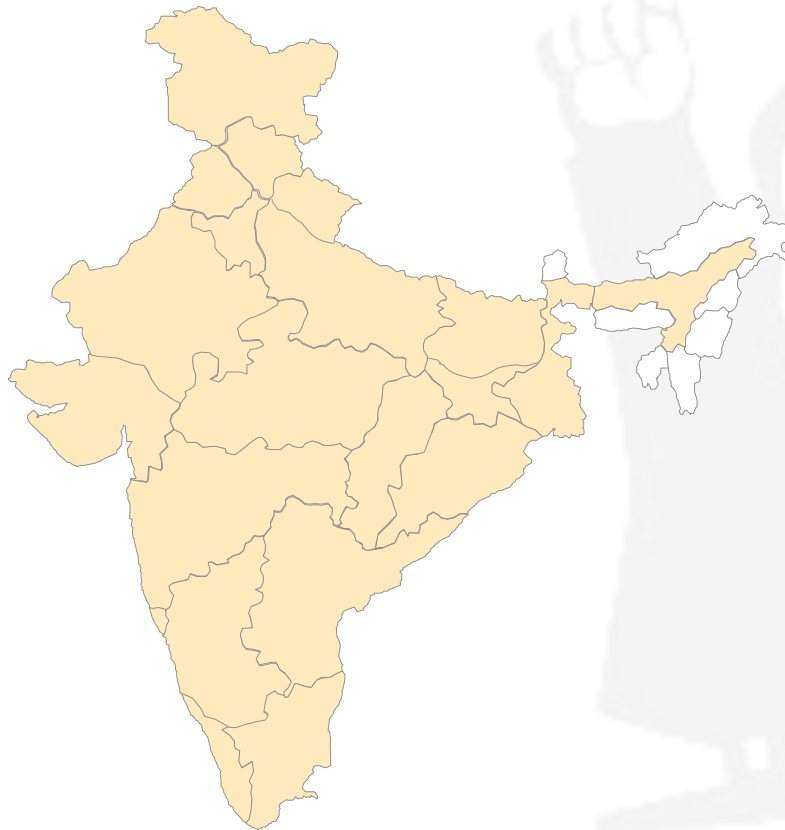
**Organizational Structure: Credit Risk Focus**

**6**

**Strengthening Presence and Expanding Reach**

# Geographical Reach & Proximity to the Customer

## Branch Locations Across India



States with STFC Presence

## Pan-India Presence

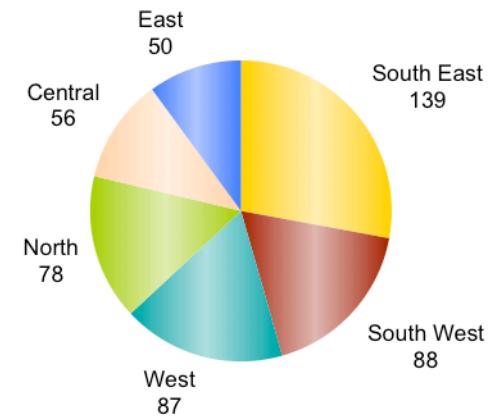
**69** SBUs

**498** Branch Offices

Tie up with **Over 500** Private Financiers

**15,679** Employee including **8,716** Field Officers

## Regional Split of Branches



As on December 31, 2011

## 2 Valuation Skills & Recovery/Collection Operation: Leveraging on Relationships

### Valuation Skills:

- Considerable expertise in valuation of pre-owned trucks
- Valuation skills is critical to succeed in this space given that the amount of loan, EMI and a truck operator's ability to repay rests on the value of the truck

### Knowledge driven valuation model

Vehicle Assessment

60%-70% Loan-to-Value Ratio – Old CVs  
75%-85% Loan to Value Ratio – New CVs

### Recovery/Collection Operation:

- Due to underdeveloped banking habits of small truck operators, a large part of monthly collections is in the form of cash
- Compulsory monthly visits to borrowers by field officers help in managing large cash collections
- Continuous monitoring of disbursed loans

### In-house Administered Loan Recovery

Field Officers

Vast Customer Base

Knowledge & Relationship based Recovery Procedure

*Experience in credit appraisal & recovery/collection operations has lead STFC to become one of the leading organized players in the sector*

# 3 Healthy Asset Quality

## Prudent Credit Norms

- ❑ Substituted formal credit evaluation tools, such as IT returns and bank statements, with personal understanding of the customers' proposed business model
- ❑ Client and truck-wise exposure limits

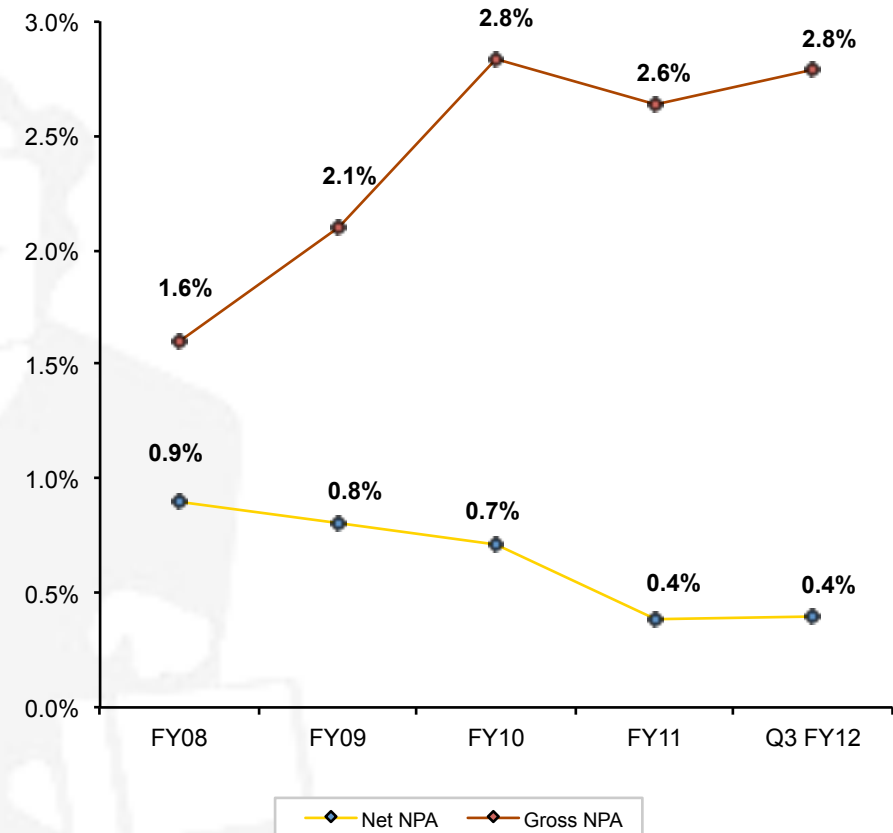
## Reasons for Low Delinquency

- ❑ Asset backed lending with adequate cover
- ❑ Assets are easy to repossess with immediate liquidity
- ❑ Target segment generally operates on state highways and short distances, ferrying essential commodities

## Incentive Schemes

- ❑ Well-defined incentive plan for field officers to ensure low default rates
- ❑ Field officers are responsible for recovery of loans they originate

## NPA Levels



**Over 86% coverage between Gross/Net NPA as on December 31, 2011**

# 3 Has Attracted Strong Interest from Quality Investors

- ❑ Consistent track record and high growth potential has attracted reputed institutional and private equity investors to infuse growth capital
- ❑ Allotted 11.658 mn equity shares at Rs. 500.80 per share to Qualified Institutional Buyers (QIB) for an aggregate sum of Rs. 5.84 bn resulting in a dilution of around 5.20% to 45 marquee global as well as domestic funds and insurers, which included 22 existing investors and the rest, new investors on January 28, 2010
- ❑ Capital Adequacy ratio as of December 31, 2011: 24.91 %

Key Shareholders*	Current Shareholding (Mn Shares)	% age
Shriram Holdings Madras Pvt. Limited <sup>(1)</sup>	93.37	41.27
Genesis Indian Investment Company	16.81	7.43
ICICI Prudential Life Insurance Company	7.35	3.25
Ontario Teachers	4.30	1.90
Stiching Pensioenfonds ABP	3.88	1.72
Shriram Capital	3.38	1.49
Equinox Partners	3.08	1.36
Tiger Global	2.35	1.04
Public & Others	91.70	40.54
<b>Total</b>	<b>226.22</b>	<b>100.00</b>

\*As on December 31, 2011

**Large Investments by major Institutional and Private Equity Investors**

(1) TPG Newbridge has a stake in Shriram Holding Madras Pvt. Limited

# 3 Optimized Balance Sheet : Access to Low Cost Funds

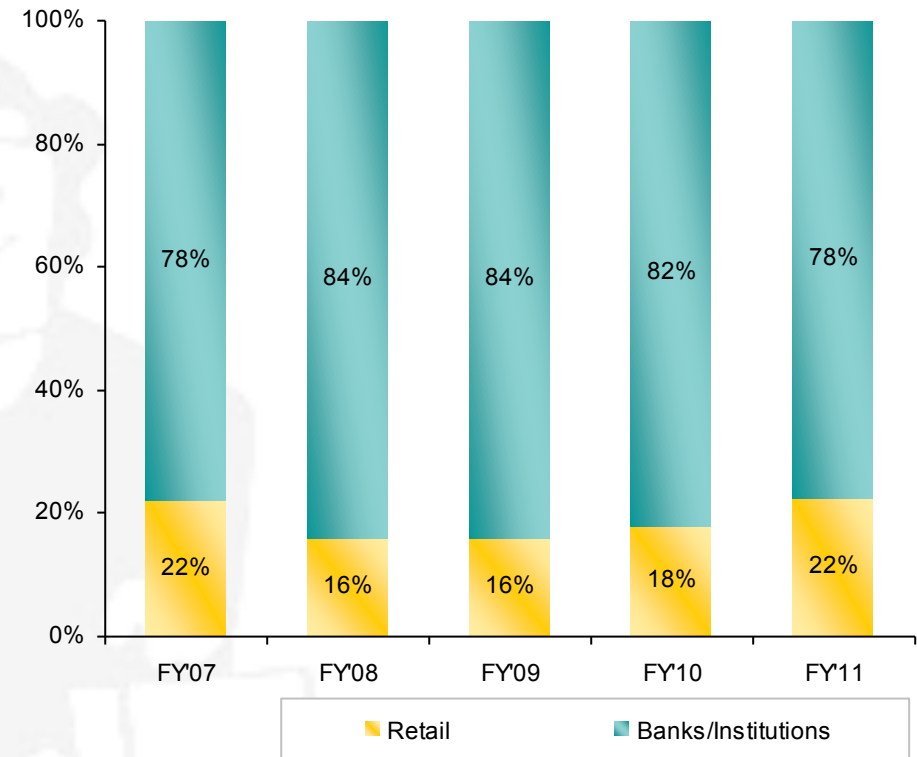
## Borrowings

- ❑ Strategic mix of retail deposits and institutional funding
- ❑ Average cost of funds declined over the years with increase in Bank/ Institutions liabilities
- ❑ Access to fixed rate long term loans of 3 - 5 years due to strong relationships with public, private sector, foreign banks and institutions

## Securitization

- ❑ Securitization of loan book at regular intervals to fund new originations and maintain growth momentum.
- ❑ Securitized assets portfolio stands at Rs. 155.42 bn at the end of Q3,FY12
- ❑ Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements

## Improved Funding Mix as % of Overall Liabilities



## Credit Ratings

Long term rating: AA+ from CARE & AA from CRISIL

Highest short term rating: F1+ from Fitch & P1+ from CRISIL

# 4 Strong Management Team

**R. Sridhar**  
*Managing Director*

- ❑ Over two decades of experience in financial services sector, especially in commercial vehicle financing
- ❑ Joined Shriram Group in 1985 and is serving as the Managing Director since September 2000
- ❑ Holds directorship in other Shriram Group companies
- ❑ Fellow member of the Institute of Chartered Accountants of India

**Umesh Revenkar**  
*Deputy Managing Director*

- ❑ Joined as an Executive Trainee in 1987 and looks after operations of the CV finance business
- ❑ Holds a degree in MBA Finance

**Parag Sharma**  
*CFO*

- ❑ Over 19 years experience in finance industry
- ❑ Joined in 1992 and now heads the Finance function, a qualified Cost Accountant

**Vinay Kelkar**  
*Executive Director*

- ❑ Over 27 years experience and 15 years of experience in finance industry
- ❑ Joined in 1995 and now heads the Compliance and Accounts function, a qualified Chartered Accountant & Cost Accountant

**S. Sunder**  
*Senior Vice President*

- ❑ Over 19 years experience in finance industry
- ❑ Joined in 1995 and now heads the Accounts and Administration function, a qualified Cost Accountant

**Sanjay K Mundra**  
*Vice President – Investor and Media Relations*

- ❑ Over 19 years experience in the finance Industry
- ❑ Joined in 2007, a qualified Company Secretary



# 4

## Board of Directors

**Arun Duggal**  
*Chairman*

- ❑ Experienced International Corporate Business Advisor on financial strategy, M&A and capital raising
- ❑ Held important positions in Bank of America during his 26 years' tenure at various locations
- ❑ Presently, Director on board of Jubilant Energy Ltd., Patni Computers, Fidelity Fund Management, InfoEdge, LNG Petronet, Dish TV India, Hertz (India), Shriram Properties, Shriram City Union Finance , Shriram EPC Ltd. etc

**R Sridhar**  
*Managing Director*

- ❑ Over two decades of experience in financial services sector, especially in commercial vehicle financing
- ❑ Joined Shriram Group in 1985 and is serving as the Managing Director since September 2000
- ❑ Holds directorship in other Shriram Group companies
- ❑ Fellow member of the Institute of Chartered Accountants of India

**Adit Jain**  
*Director*

- ❑ Currently Managing Director of IMA India and a Non-Executive Director on the Board of Sanmar Group, International Assets Reconstruction Company and PR Pundit
- ❑ Holds degrees in Mechanical Engineering and Business Administration

**S Venkatakrishnan**  
*Director*

- ❑ Retired from the IAS. Served at senior positions in Finance Audit & Accounts departments of the government and other public undertakings
- ❑ Has been serving an advisor to Shriram Transport Finance for over a decade and is also on the Board of other Shriram Group companies

**Mayashankar Verma**  
*Director*

- ❑ Former Chairman of State Bank of India, with nearly five decades of experience in Indian financial sector
- ❑ Held various critical positions as Advisor to RBI, Chairman IDBI Bank and Chairman TRAI

# 4 Board of Directors (Contd.)

## Mukund Manohar Chitale Director

- ❑ Practicing Chartered Accountant. Former President of Institute of Chartered Accountants of India
- ❑ Serves as Director on the Boards of L&T Ltd, ASREC (India) Ltd, Ram Ratna Wires Ltd, ONGC, Mangalore Petrochemicals Ltd. and Itz Cash Card Ltd

## Puneet Bhatia Director

- ❑ Partner of TPG Capital and country Head – India for TPG’ s Asian Business
- ❑ Former Chief executive of the Private Equity Group for GE Capital India
- ❑ Holds a degree in Commerce and an MBA from IIM, Calcutta

## Subramanian Lakshminarayanan Additional Director

- ❑ Member of Indian Administrative Services (IAS – retired)
- ❑ Served at senior positions in the Ministry of Home Affairs, Ministry of Communication & IT etc.

## Ranvir Dewan Director

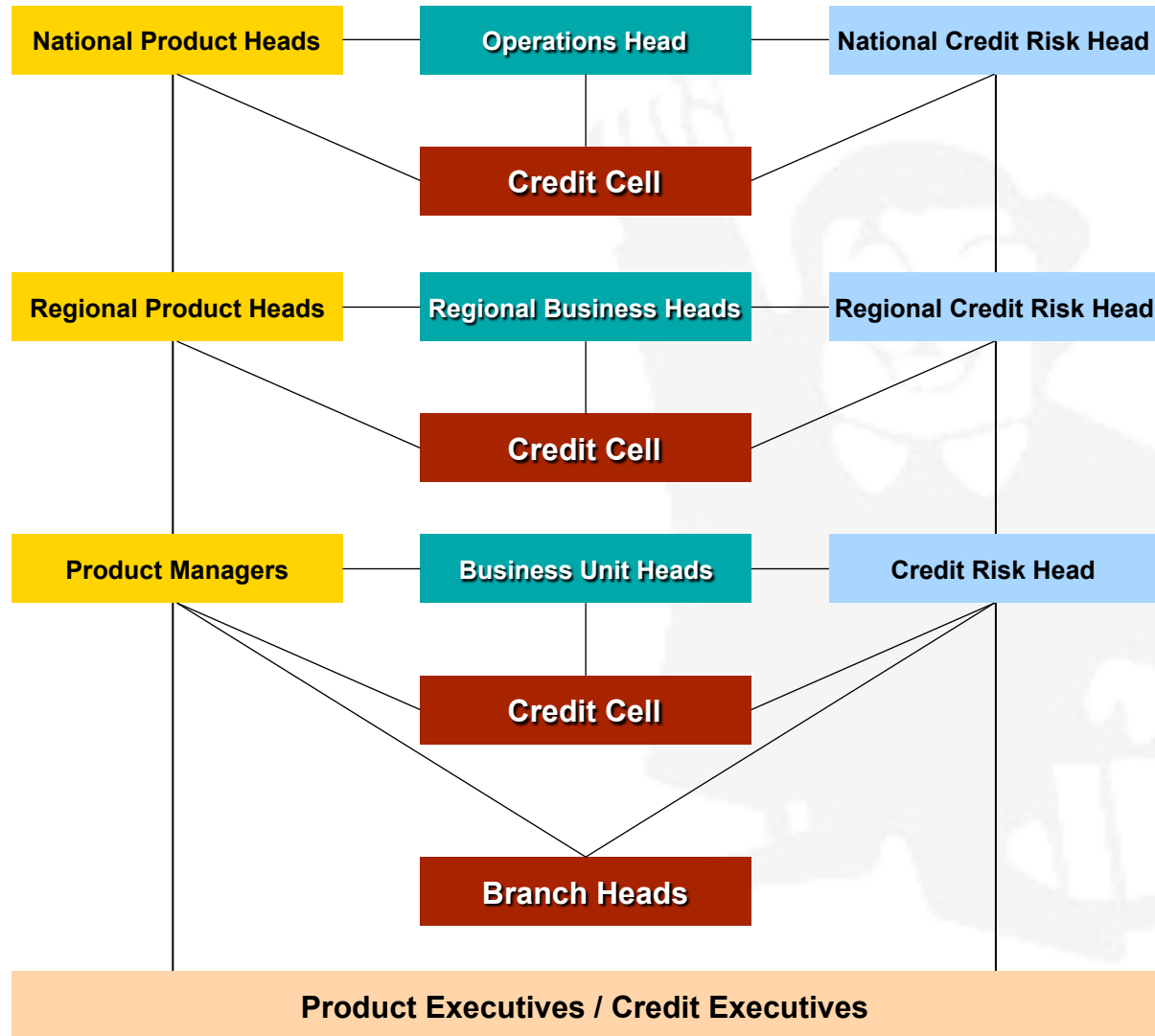
- ❑ Senior Principal and Advisor to TPG Newbridge Capital
- ❑ Fellow member of the Institute of Chartered Accountants in England & Wales and a member of the Canadian Institute of Chartered Accountants

## Sumatiprasad M Bafna Director

- ❑ Has extensive experience in the transportation business
- ❑ He currently serves on the board of directors of Seva Finance Ltd, Seva Transport Pvt. Ltd, Isuta Electronics (India) Ltd, Bafna Motors (Ratnagiri) Pvt Ltd, Kishore Transport Services Pvt. Ltd.

# 5

## Organizational Structure: Credit Risk Focus



### Clearly Demarcated Responsibilities

- ▣ **Field Offices:**
  - Direct contact with customers for vehicle inspection & primary valuation, sales-lead generation, and collection & repossession in the case of default
  
- ▣ **Branch Officer (498 Branches) :**
  - Deciding the credit worthiness of individuals and arranging the necessary documentation
  - Each branch has ~15-20 employees, 8-10 field officers, 6-8 support staff
  
- ▣ **SBU Head (69 SBUs):**
  - Final deciding authority who oversees 8-10 branches

# 6

## Strengthening Presence and Expanding Reach

### Core Business

- ❑ Leverage the large pan-India network to enhance reach in North & East India, particularly in large CV hubs
- ❑ To increase market share in pre-owned CV market

### Expanding the Pre-Owned CV Segment

- ❑ Introduce top-up products such as finance for tyres, working capital and engine replacement

### Leveraging Private Financiers

- ❑ Build partnership with private financiers in the unorganized market to leverage their local knowledge to enhance market share
- ❑ Partnered with more than 500 private financiers as of March 31, 2011

### Axis Bank co-branded credit cards

- ❑ Tied up with Axis Bank to distribute credit cards to small truck owners
- ❑ Distributed over 1,70,000 credit cards as of March 31, 2011

# 6 Strengthening Presence and Expanding Reach (Contd.)

## Freight Bill Discounting

- Estimated market size of Rs. 60-70 bn with higher yields than the existing CV financing business.

## Passenger Commercial Vehicle Financing

- Estimated market size of Rs. 120 bn for FY11 backed by growth in population and an improving road infrastructure

## Tractor Financing

- Market experiencing growth with increasing policy thrust on agricultural mechanization.
- The used tractor financing market is estimated at Rs. 205 bn in FY11

## Construction Equipment Financing

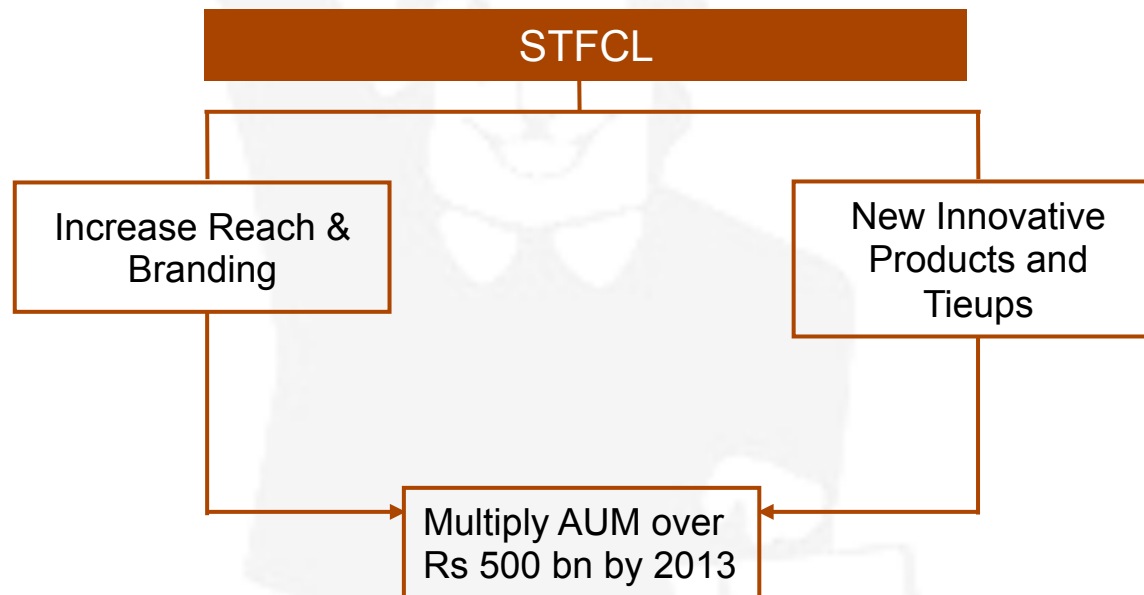
- Market expected to grow at an annual rate of 30% to reach over Rs. 350 bn in 2011 driven by huge infrastructure spending during the 11<sup>th</sup> 5-Year Plan estimated at approximately Rs. 20 tn
- This business would be through our 100% subsidiary Shriram Equipment Finance Company Ltd under an independent management which would focus on end-to-end equipment financing

## Truck Bazaar

- Platform to facilitate buyers and sellers to meet for sale of pre-owned CVs, where STFC can earn commission fees through its advisory services and also provide financing to the buyer
- STFC is creating a market for pre-owned trucks and such Bazaars are held in every branch once a month

# 6

## Target to reach AUM over Rs 500 bn by FY13



*Well Planed Strategy for Future Growth*

# 6 Innovative Marketing: AutoMalls & Electronic Touch Screen Kiosks

## AutoMalls



- ❑ Pre-owned commercial vehicle hubs across India for sale of:
  - Pre-owned vehicles
  - Refurbished pre-owned CVs manufactured by various manufacturers (“Shriram New Look”) – *Already launched in Tamil Nadu, Karnataka, Kerala & Andhra Pradesh branches and will be launched in other states in a phased manner*
  - Repossessed vehicles with various financing companies
- ❑ AutoMalls would be a one-stop shop for all CV owners needs with facilities like workshops etc.
- ❑ STFC intends to provide electronic advertising and trading infrastructure at these AutoMalls
- ❑ The initiative would help STFC market its financial products and develop new customers

*STFC opens its four AutoMall and another five to seven will be opened in FY12 and gradually expand to 50-60 AutoMalls over 12-24 months*

## Touch Screen Kiosks



- ❑ Physical Truck Bazaars shall be replaced by electronic Touch Screen Kiosks
- ❑ Kiosks are to be installed at branches and AutoMalls
- ❑ All data pertaining to vehicles including photographs shall be available at these kiosks
- ❑ Launched in more than 85% of the branches pan India and will be launched in other branches in a phased manner

***These initiatives would help STFC establish a presence at the “Entry Point” for sale of pre-owned CV s***



## 3 Recent Performance

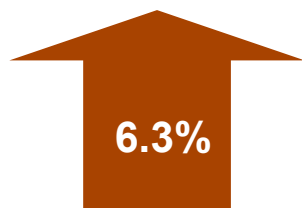




# Sustained Quarterly Growth Trend Continues

## Performance Review Q3 FY' 11 Vs. Q3 FY' 12

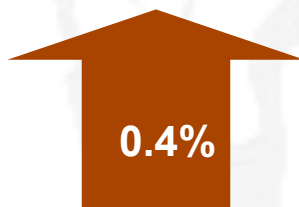
Rs 14,783.0 mn



Rs 13,907.5 mn

**Total Income**

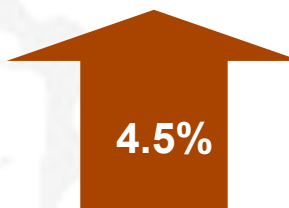
Rs 3,026.8 mn



Rs 3,013.6 mn

**PAT**

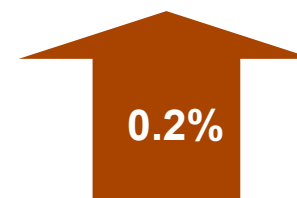
Rs 8,037.7 mn



Rs 7,693.6 mn

**Net Interest Income\***

Rs 13.38



Rs 13.35

**EPS**

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

- ✓ Securitisation Income (net) up by 35.3% to Rs 4,927.4 mn from Rs 3,641.4 mn (securitised asset portfolio of Rs 33,414 mn during Q3 FY' 12)

➔ **Growing operating profits** by 5.5% to Rs 6,464.9 mn from Rs 6,128.7 mn

➔ **Decrease in interest cost** to 7.5% from 7.8%

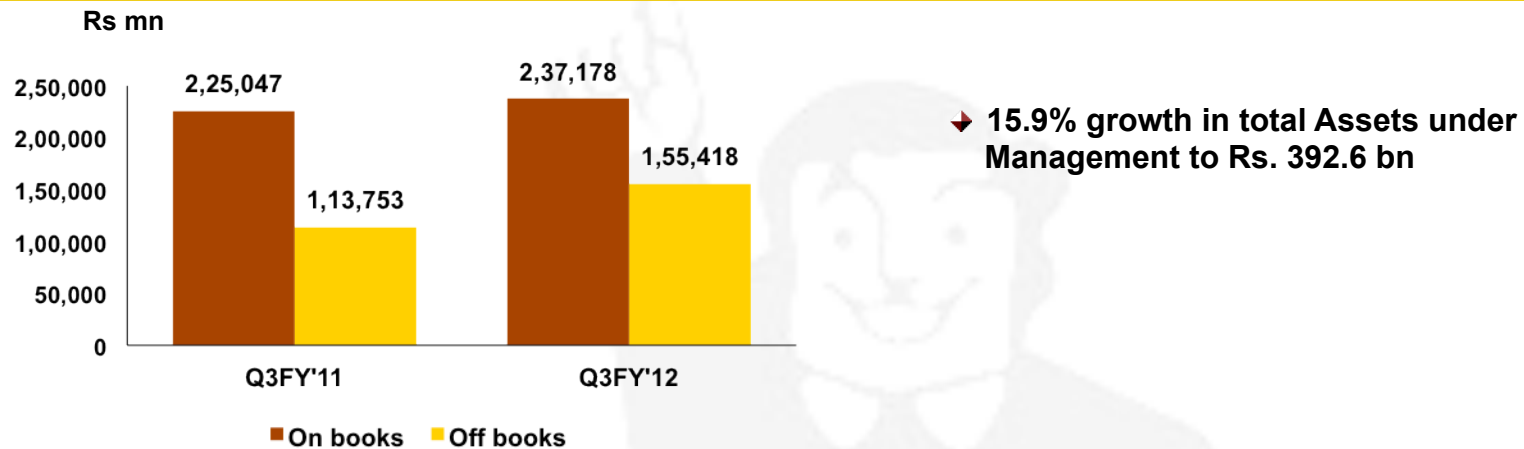
➔ **Healthy asset quality** with Gross NPAs & Net NPA stood at 2.79% & 0.40% and the Net NPA in absolute amount stands at Rs. 930.9 mn against 1,049.9 mn (Coverage ratio maintained over 86%)

➔ **Employees reduced by 268** taking the total strength to 15,679 from 15,947 including 8,716 field officers

\* including Securitisation Income

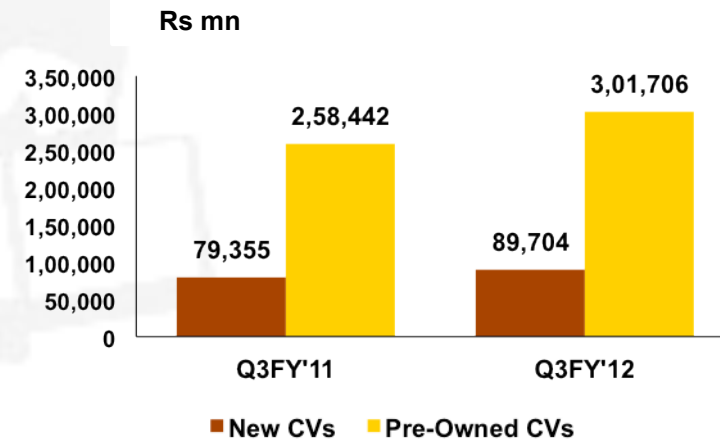
# Driven by Growing AUM

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



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

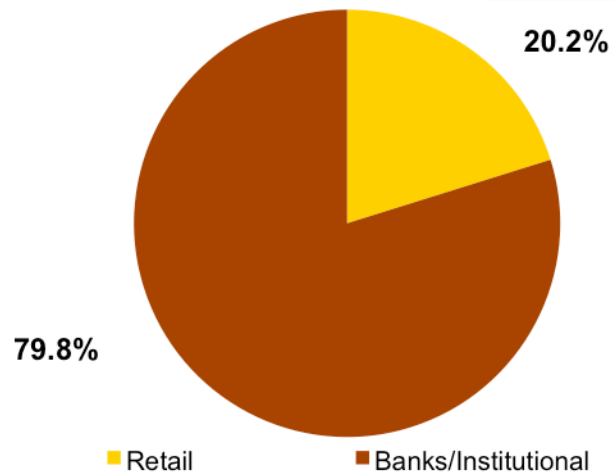
76.9% of total Assets under Management in pre-owned CV to Rs 301.7 bn



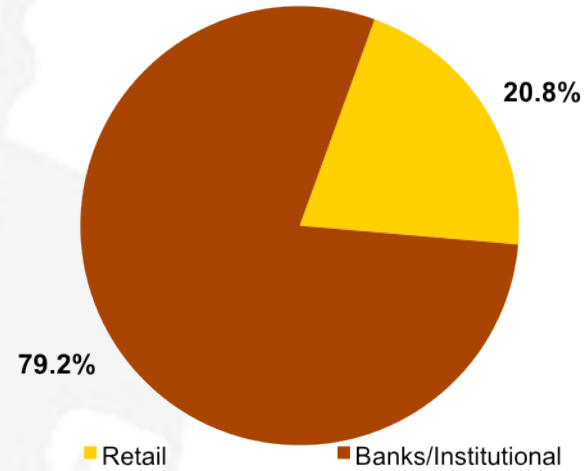
# Supported by a Healthy Borrowing Profile

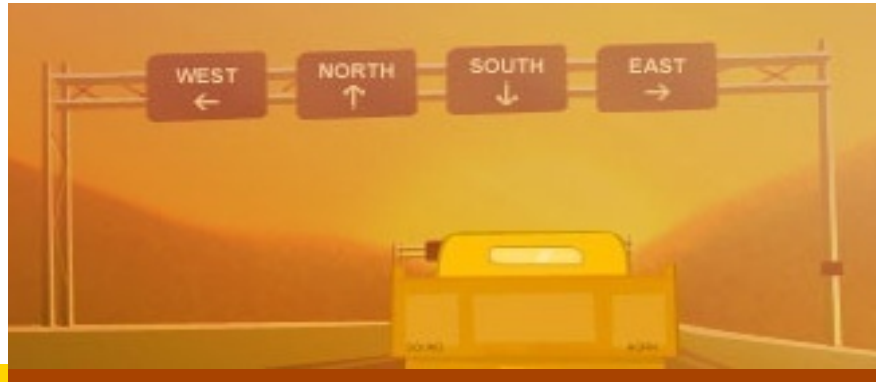
## Borrowing Profile

Q3 FY' 11 – Rs 211.4 bn



Q3 FY' 12 – Rs 228.0 bn





## 4 Industry Opportunity



# Exponential Growth in CV Financing

- Large CV Financing market size of Rs 900bn
- Shriram targets the largest market segment of 5-12 years, accounting for 38% of the total market volume
- Market for second hand truck financing is under penetrated with 65-70% of the market with private financiers who charge high interest rates

## Sustained Growth Expected to Continue

### Modernization of trucking industry

- Legislative pressure on banning trucks beyond 15 years is likely to trigger replacement boom
- Transport associations' introduction of Voluntary Retirement Scheme for old trucks with better financing options
- Financing amount of Rs 1,078bn to be triggered through replacement demand for 1.35mn new as well as pre-owned trucks

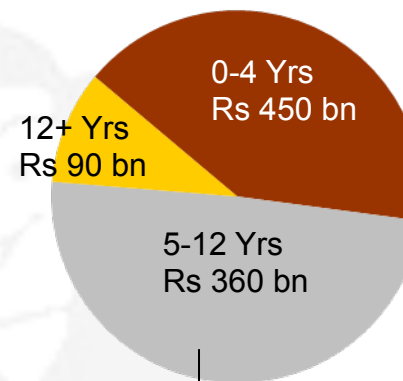
### Stricter emission norms expected to generate huge demand for 5-12 year old trucks

- Bharat III emission norms already implemented in 11 major cities
- Norms are likely to be implemented in the rest of the country over 2008-10

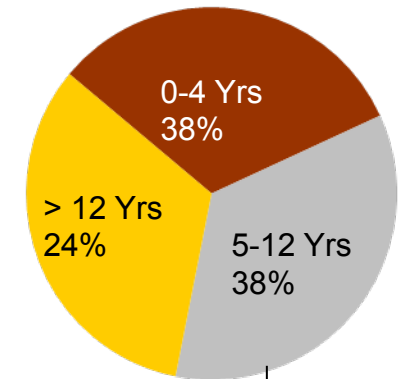
### Growing freight capacity

- GDP growth rate driving incremental freight capacity which is estimated to increase at 1.25 times of GDP growth.

Market Potential



Truck Profile (5.2 mn)



Shriram Target Segment

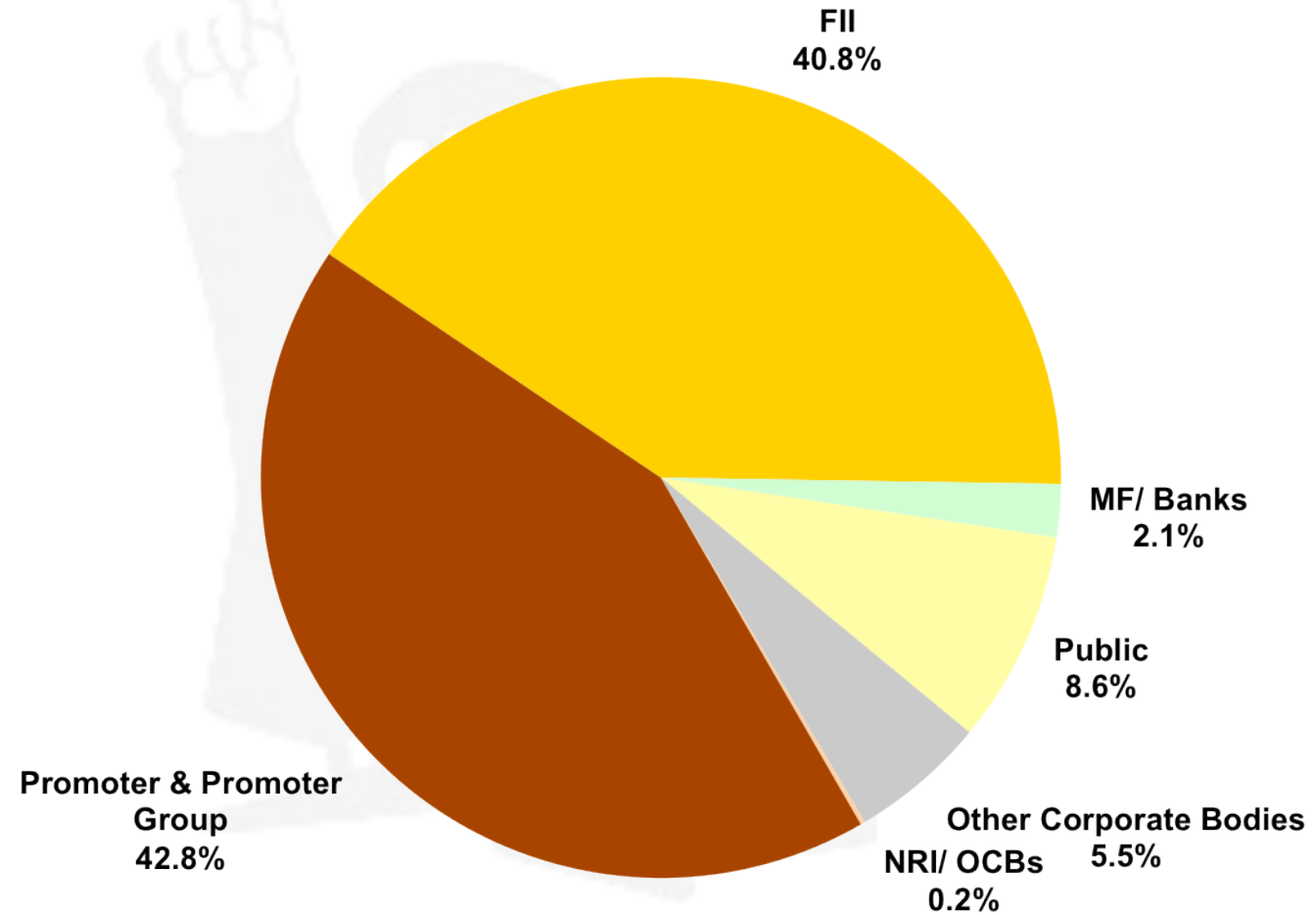
**Only Organised Player in the Pre-owned CV Financing Market**



## 5 Annexures

# Shareholding Structure as on December 31, 2011

No. of shares outstanding: 226.22mn



## Profit and Loss Statement

Profit & Loss Statement	Q3 FY'11	Q1 FY'12	Q2 FY'12	Q3 FY'12	9M FY'11	9M FY'12	YoY %	QoQ %	FY'11
Interest Income	9,782.4	8,368.4	9,675.0	9,457.7	28,080.9	27,501.1	-3.32%	-2.25%	37,114.7
Interest expended	5,730.2	5,714.3	6,152.6	6,347.4	17,217.0	18,214.3	10.77%	3.17%	23,007.9
Net Interest Income	4,052.2	2,654.1	3,522.4	3,110.3	10,863.9	9,286.8	-23.24%	-11.70%	14,106.8
Income from Securitisation	3,932.3	5,483.9	4,989.2	5,031.7	11,246.4	15,504.8	27.96%	0.85%	15,850.1
Less : Securitisation Expenses	290.9	317.4	164.6	104.3	678.6	586.2	-64.15%	-36.64%	878.3
Income from Securitisation (Net)	3,641.4	5,166.5	4,824.7	4,927.4	10,567.8	14,918.6	35.32%	2.13%	14,971.8
<b>Net Interest Income including Income from Securitisation</b>	<b>7,693.6</b>	<b>7,820.6</b>	<b>8,347.1</b>	<b>8,037.7</b>	<b>21,431.7</b>	<b>24,205.4</b>	<b>4.47%</b>	<b>-3.71%</b>	<b>29,078.6</b>
Fees for trading	61.8	-	-	-	207.9	-	-100.00%	0.00%	270.3
<b>Operating Income</b>	<b>7,755.4</b>	<b>7,820.6</b>	<b>8,347.1</b>	<b>8,037.7</b>	<b>21,639.6</b>	<b>24,205.4</b>	<b>3.64%</b>	<b>-3.71%</b>	<b>29,348.9</b>
Operating expenditure	1,750.9	1,677.7	1,787.6	1,866.5	4,824.0	5,331.8	6.60%	4.42%	6,373.3
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>6,004.5</b>	<b>6,142.9</b>	<b>6,559.5</b>	<b>6,171.2</b>	<b>16,815.6</b>	<b>18,873.6</b>	<b>2.78%</b>	<b>-5.92%</b>	<b>22,975.6</b>
Other Income	124.2	476.7	258.2	293.7	573.2	1,028.6	136.40%	13.76%	685.0
<b>Operating Profit</b>	<b>6,128.7</b>	<b>6,619.6</b>	<b>6,817.7</b>	<b>6,464.9</b>	<b>17,388.8</b>	<b>19,902.2</b>	<b>5.49%</b>	<b>-5.18%</b>	<b>23,660.6</b>
Provisions for Bad Debts	1,011.9	1,356.2	2,318.2	1,933.3	3,465.6	5,607.7	91.05%	-16.61%	4,683.1
Provisions against Standard Assets	552.7	63.7	45.1	(13.0)	552.7	95.8	-102.35%	-128.84%	488.2
<b>PBT</b>	<b>4,564.1</b>	<b>5,199.7</b>	<b>4,454.4</b>	<b>4,544.6</b>	<b>13,370.5</b>	<b>14,198.7</b>	<b>-0.43%</b>	<b>2.02%</b>	<b>18,489.3</b>
Tax	1,550.5	1,726.7	1,460.3	1,517.8	4,477.9	4,704.8	-2.11%	3.94%	6,190.5
<b>PAT</b>	<b>3,013.6</b>	<b>3,473.0</b>	<b>2,994.1</b>	<b>3,026.8</b>	<b>8,892.6</b>	<b>9,493.9</b>	<b>0.44%</b>	<b>1.09%</b>	<b>12,298.8</b>
<b>EPS (Rs)</b>	<b>13.35</b>	<b>15.36</b>	<b>13.24</b>	<b>13.38</b>	<b>39.42</b>	<b>41.97</b>	<b>0.22%</b>	<b>1.06%</b>	<b>54.49</b>
<b>Total CRAR %</b>	<b>23.62%</b>	<b>23.44%</b>	<b>23.80%</b>	<b>24.91%</b>	<b>23.62%</b>	<b>24.91%</b>	<b>5.43%</b>	<b>4.66%</b>	<b>24.85%</b>
<b>Book Value (Rs)</b>	<b>204.68</b>	<b>230.59</b>	<b>243.30</b>	<b>253.96</b>	<b>204.68</b>	<b>253.96</b>	<b>24.08%</b>	<b>4.38%</b>	<b>215.22</b>

Key Ratios (%)	Q3 FY'11	Q1 FY'12	Q2 FY'12	Q3 FY'12	9M FY'11	9M FY'12	YoY %	QoQ %	FY'11
Return on Avg. Net Worth	26.49%	27.36%	22.17%	21.35%	27.78%	23.51%	-19.41%	-3.69%	27.94%
Return on Avg. Assets	3.99%	4.31%	3.61%	3.60%	4.13%	3.83%	-9.85%	-0.49%	4.20%
Interest Coverage Ratio	2.43	2.51	2.43	2.33	2.33	2.42	-3.99%	-3.97%	2.34



## Balance Sheet

	<i>Rs mn</i>								
	Q3 FY'11	Q1 FY'12	Q2 FY'12	Q3 FY'12	9M FY'11	9M FY'12	YoY %	QoQ %	FY'11
<b>Balance Sheet</b>									
<b>Liabilities</b>									
Shareholder funds									
Equity Capital	2,261.8	2,262.1	2,262.5	2,262.5	2,261.8	2,262.5	0.03%	0.00%	2,261.8
Reserves	44,428.6	50,257.8	53,257.7	55,628.3	44,428.6	55,628.3	25.21%	4.45%	46,782.1
Preference Capital									
Loans									
Secured	1,61,992.4	1,43,172.0	1,65,092.8	1,75,664.1	1,61,992.4	1,75,664.1	8.44%	6.40%	1,48,693.8
Unsecured	49,355.5	50,411.5	53,033.1	52,370.2	49,355.5	52,370.2	6.11%	-1.25%	50,049.0
Current Liabilities	54,934.6	89,245.3	57,276.5	59,692.4	54,934.6	59,692.4	8.66%	4.22%	68,168.7
<b>Total</b>	<b>3,12,972.9</b>	<b>3,35,348.7</b>	<b>3,30,922.6</b>	<b>3,45,617.5</b>	<b>3,12,972.9</b>	<b>3,45,617.5</b>	<b>10.43%</b>	<b>4.44%</b>	<b>3,15,955.4</b>
<b>Assets</b>									
Fixed Assets	404.0	370.0	368.4	392.4	404.0	392.4	-2.86%	6.51%	384.3
Loans & Advances	1,644.2	1,711.5	2,111.7	2,057.7	1,644.2	2,057.7	25.15%	-2.56%	1,548.8
Cash & Bank balances	39,105.0	62,567.8	38,984.3	37,923.6	39,105.0	37,923.6	-3.02%	-2.72%	36,251.1
Investments	17,394.9	8,608.4	15,699.4	35,164.8	17,394.9	35,164.8	102.16%	123.99%	36,452.9
Truck receivables	2,24,043.5	2,21,273.7	2,42,090.9	2,35,991.5	2,24,043.5	2,35,991.5	5.33%	-2.52%	1,97,690.0
Deferred Tax Asset	1,358.5	1,732.3	1,799.3	1,970.3	1,358.5	1,970.3	45.03%	9.50%	1,536.9
Current Assets	29,022.8	39,085.0	29,868.6	32,117.2	29,022.8	32,117.2	10.66%	7.53%	42,091.4
<b>Total</b>	<b>3,12,972.9</b>	<b>3,35,348.7</b>	<b>3,30,922.6</b>	<b>3,45,617.5</b>	<b>3,12,972.9</b>	<b>3,45,617.5</b>	<b>10.43%</b>	<b>4.44%</b>	<b>3,15,955.4</b>
<b>Spread Analysis</b>									
Total Income/ Avg. total assets	18.40%	17.76%	18.01%	17.56%	18.62%	17.78%			18.40%
Interest cost/ Avg. total assets	7.83%	7.34%	7.48%	7.54%	8.20%	7.46%			8.01%
<b>Gross Spread</b>	<b>10.57%</b>	<b>10.42%</b>	<b>10.53%</b>	<b>10.02%</b>	<b>10.42%</b>	<b>10.32%</b>			<b>10.39%</b>
NPA provisioning/ Avg. total assets	1.34%	1.68%	2.80%	2.30%	1.61%	2.26%			1.60%
Provisioning for standard assets/ Avg. total assets	0.73%	0.08%	0.05%	-0.02%	0.26%	0.04%			0.17%
Overhead Cost/ Avg. total assets	2.46%	2.22%	2.30%	2.34%	2.35%	2.29%			2.32%
<b>Net Spread</b>	<b>6.04%</b>	<b>6.44%</b>	<b>5.38%</b>	<b>5.40%</b>	<b>6.20%</b>	<b>5.73%</b>			<b>6.30%</b>

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

Particulars		Q3	Q1	Q2	Q3	9 Month	9 Month	%	%	Year ended
		FY 2010 11	FY 2011 12	FY 2011 12	FY 2011 12	FY 2010 11	FY 2011 12	YoY	QoQ	FY 2011
Total Income	mn	13,907.5	14,336.6	14,914.8	14,783.0	40,128.7	44,034.4	6.30%	-0.88%	53,947.1
Interest Income	mn	9,782.4	8,368.4	9,675.0	9,457.7	28,080.9	27,501.1	-3.32%	-2.25%	37,114.7
Securitisation Income	mn	3,641.4	5,166.5	4,824.7	4,927.4	10,567.8	14,918.6	35.32%	2.13%	14,971.8
Total Interest Income	mn	13,423.8	13,534.9	14,499.7	14,385.1	38,648.7	42,419.7	7.16%	-0.79%	52,086.5
Less : Interest Expenses	mn	5,730.2	5,714.3	6,152.6	6,347.4	17,217.0	18,214.3	10.77%	3.17%	23,007.9
Net Interest Income	mn	7,693.6	7,820.6	8,347.1	8,037.7	21,431.7	24,205.4	4.47%	-3.71%	29,078.6
Other Income	mn	124.2	476.7	258.2	293.7	573.2	1,028.6	136.47%	13.75%	685.0
Fee for Trading	mn	61.8	0.0	0.0	0.0	207.9	0.0	-100.00%	0.00%	270.3
Operating Income	mn	7,879.6	8,297.3	8,605.3	8,331.4	22,212.8	25,234.0	5.73%	-3.18%	30,033.9
Cost to Income Ratio	%	20.56	19.56	20.24	21.73	20.67	20.51	5.69%	7.36%	20.20
Profit after Tax	mn	3,013.6	3,473.0	2,994.1	3,026.8	8,892.6	9,493.9	0.44%	1.09%	12,298.8
EPS	Rs.	13.35	15.36	13.24	13.38	39.42	41.97	0.22%	1.06%	54.49
ROA	%	3.99	4.31	3.61	3.60	4.13	3.83	-9.77%	-0.28%	4.20
ROE	%	26.49	27.36	22.17	21.35	27.78	23.51	-19.40%	-3.70%	27.94
NIM (on AUM)	%	8.19	7.59	8.19	7.39	7.92	7.72	-9.77%	-9.77%	7.83

## Details of Key Parameters (Balance Sheet)

Particulars		Q3 FY 2010 11	Q1 FY 2011 12	Q2 FY 2011 12	Q3 FY 2011 12	9 Month FY 2010 11	9 Month FY 2011 12	% YoY	% QoQ	Year ended FY 2011
<b>Asset under Management</b>										
- On Books	mn	2,25,047.3	2,22,252.9	2,43,276.7	2,37,177.6	2,25,047.3	2,37,177.6	5.39%	-2.51%	1,98,656.1
- Off Books	mn	1,13,753.3	1,47,719.3	1,37,487.2	1,55,418.3	1,13,753.3	1,55,418.3	36.63%	13.04%	1,63,170.2
<b>Total AUM</b>	<b>mn</b>	<b>3,38,800.6</b>	<b>3,69,972.2</b>	<b>3,80,763.9</b>	<b>3,92,595.9</b>	<b>3,38,800.6</b>	<b>3,92,595.9</b>	<b>15.88%</b>	<b>3.11%</b>	<b>3,61,826.3</b>
<b>Disbursement</b>										
- Used CV	mn	36,428.2	37,089.9	37,830.8	41,703.9	1,04,396.8	1,16,624.6	14.48%	10.24%	1,49,239.4
- New CV	mn	15,012.1	10,752.1	10,113.1	7,565.6	32,427.7	28,430.8	-49.60%	-25.19%	49,597.5
<b>Total Disbursement</b>	<b>mn</b>	<b>51,440.3</b>	<b>47,842.0</b>	<b>47,943.9</b>	<b>49,269.5</b>	<b>1,36,824.5</b>	<b>1,45,055.4</b>	<b>-4.22%</b>	<b>2.76%</b>	<b>1,98,836.9</b>
Securitisation done	mn	15,598.0	1,665.0	4,926.0	33,414.0	41,062.0	40,005.0	114.22%	578.32%	1,02,036.0
Gross NPA	%	2.40	2.66	2.69	2.79	2.40	2.79	16.25%	3.72%	2.64
Net NPA	%	0.47	0.49	0.41	0.40	0.47	0.40	-14.89%	-2.44%	0.38
Gross NPA	mn	5,428.4	6,028.3	6,595.7	6,718.6	5,428.4	6,718.6	23.77%	1.86%	5,285.8
Net NPA	mn	1,049.9	1,089.5	986.9	930.9	1,049.9	930.9	-11.33%	-5.67%	744.6
Coverage Ratio	%	80.66	81.93	85.04	86.14	80.66	86.14	6.79%	1.29%	85.91
CRAR	%	23.62	23.44	23.80	24.91	23.62	24.91	5.46%	4.66%	24.85
Book Value	Rs.	204.68	230.59	243.30	253.96	204.68	235.96	24.08%	4.38%	215.22

### 1. Shriram Equipment Finance Company Limited.

Total Disbursement – Rs. 3,354.3 mn in Q3 FY 12 (11,021.7 mn in 9 month FY 12)

Assets under Finance - Rs. 15,058.9 mn in Q3 FY 12 (12,890.7 mn in Q2 FY 12)

PAT – Rs. 146.93 mn in Q3 FY 12 (344.59 mn in 9 month FY 12)

### 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 started from 13<sup>th</sup>. August, 2011
  - Mumbai – Operation started from 22<sup>nd</sup>. October, 2011

**3. Fees Income earned** Rs. 135.3 mn in Q3 FY 12 (343.6 mn in 9 month FY 12) (Rs. 270.3 mn in FY 11)

# Subsidiary - Shriram Equipment Finance Company Limited

## Profit and Loss Statement



(Amount in mn.)

	Period ended December 31, 2011	Period ended December 31, 2010
<b>INCOME</b>		
Income from financing activities	1366.17	38.17
Other income	9.51	0.77
<b>Total</b>	<b>1375.68</b>	<b>38.94</b>
<b>EXPENDITURE</b>		
Interest & other charges	626.64	10.04
Personnel expenses	114.22	25.06
Operating & other expenses	82.48	57.25
Depreciation and amortisation	3.72	0.58
Provisions & written off	32.69	5.19
<b>Total</b>	<b>859.75</b>	<b>98.12</b>
<b>Profit/(Loss) before taxation</b>	<b>515.93</b>	<b>(59.18)</b>
<b>Provision for taxation</b>		
Current Tax	179.03	0.03
Deffered Tax	(7.69)	(1.79)
<b>Total tax expenses</b>	<b>171.34</b>	<b>(1.76)</b>
<b>Profit/(Loss) after Tax</b>	<b>344.59</b>	<b>(57.42)</b>
Balance brought forward from previous year	8.96	(0.12)
<b>Profit available for appropriation</b>	<b>353.55</b>	<b>(57.54)</b>
<b>Surplus /(Deficit) carried to Balance Sheet</b>	<b>353.55</b>	<b>(57.54)</b>
<b>Earnings per share</b>		
Basic and Diluted (Rs.)	34.44	(18.37)
Nominal value of equity share (Rs.)	10.00	10.00

# Subsidiary - Shriram Equipment Finance Company Limited

## Balance Sheet



(Amount in mn.)

	As at December 31, 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>	355.86	11.27
<b>Loan Funds</b>		
Secured loans	7,735.40	3,000.00
Unsecured loans	3,232.47	1,116.79
<b>Total</b>	<b>13,923.73</b>	<b>5,728.06</b>
<b>APPLICATION OF FUNDS:</b>		
<b>Fixed and Intangible Assets</b>		
Gross block	16.95	15.32
Less : Accumulated depreciation and amortisation	6.54	2.84
Net block	<b>10.41</b>	<b>12.48</b>
<b>Deferred Tax Assets (net)</b>	12.88	5.20
<b>Current Assets, Loans and Advances</b>		
Assets under financing activities	15,058.85	6,341.61
Cash & Bank Balances	99.29	1,336.65
Other current assets	0.00	0.82
	15,158.14	7,679.08
Loans & advances	9.30	4.38
	15,167.44	7,683.46
<b>Less : Current Liabilities &amp; Provisions</b>		
Current liabilities	1,183.95	1,935.82
Provisions	83.05	37.26
	1,267.00	1,973.08
<b>Net Current Assets</b>	13,900.44	5,710.38
<b>Total</b>	<b>13,923.73</b>	<b>5,728.06</b>

# Subsidiary - Shriram Automall India Limited



## Profit and Loss Statement

	(Rs in mn)	
	For the period April 01, 2011 to December 31, 2011	Year ended March 31, 2011
<b>Income</b>		
Income from Operations	852.71	621.63
Other income	3.61	-
<b>Total</b>	<b>856.32</b>	<b>621.63</b>
<b>Expenditure</b>		
Purchase of commercial vehicles	412.08	692.42
Refurbishment expenses	18.03	27.16
Adjustment due to decrease/(increase) in stock of commercial vehicles	67.90	(129.36)
Personnel expenses	148.76	69.13
Operating & other expenses	208.81	99.18
Interest & other charges	19.37	-
Depreciation and amortisation	18.90	1.86
<b>Total</b>	<b>893.85</b>	<b>760.39</b>
<b>Profit/(Loss) before taxation</b>	(37.53)	(138.76)
<b>Provision for taxation</b>		
Current tax	-	-
Deferred tax	-	0.40
<b>Total tax expense / (income)</b>	-	<b>0.40</b>
<b>Profit/(Loss) after taxation</b>	(37.53)	(139.16)
Profit/(Loss) brought forward from previous year	(139.21)	(0.05)
<b>Surplus/(Loss) carried to Balance Sheet</b>	<b>(176.74)</b>	<b>(139.21)</b>
<b>Earnings/(Loss) per share</b>		
Basic & Diluted (Rs.)	(2.24)	(35.99)
Nominal Value of Share (Rs.)	<b>10.00</b>	<b>10.00</b>

## Subsidiary - Shriram Automall India Limited

### Balance Sheet



	As at December 31, 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	-	275.58
Deferred Tax Liability (Net)	0.40	0.40
<b>Total</b>	<b>200.40</b>	<b>375.98</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed and Intangible Assets</b>		
Gross block	139.13	32.91
Less : Accumulated depreciation and amortisation	20.75	1.86
<b>Net block</b>	<b>118.38</b>	<b>31.05</b>
<b>Capital Work in Progress</b>	<b>26.95</b>	<b>27.88</b>
<b>Current Assets, Loans and Advances</b>		
- Stock in Trade	61.28	129.36
- Cash and bank balances	33.07	53.90
- Other current assets	0.01	-
- Loans and advances	91.63	62.38
	185.99	245.64
<b>Less : Current Liabilities &amp; Provisions</b>		
Current liabilities	295.14	67.71
Provisions	12.52	0.09
	307.66	67.80
<b>Net Current Assets</b>	<b>(121.67)</b>	<b>177.84</b>
Profit and Loss Account	176.74	139.21
<b>Total</b>	<b>200.40</b>	<b>375.98</b>



**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 Rs 392.6 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 498 branches, and employs 15,679 employees including 8,716 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.*



**Thank You**

