



# SHRIRAM TRANSPORT FINANCE COMPANY LTD

JUNE, 2014

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# 01

## COMPANY SNAPSHOT

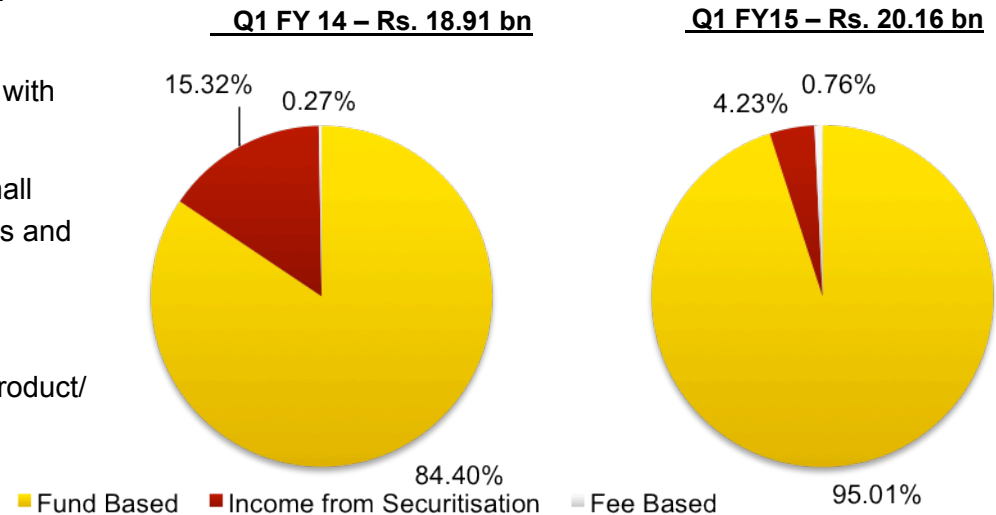


## Market Leader in High-Yield Pre-Owned CV Financing



- ❑ **Shriram Transport Finance Company Limited (STFC) is one of the largest asset financing NBFC** with approximately 25% market share in pre-owned and approximately 5-6% 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 1.1 mn as of June 30, 2014
- ❑ **Employee strength** of approximately 17,075 including 10,120 product/credit executives as of June 30, 2014
- ❑ **Listed on the National Stock Exchange and Bombay Stock Exchange** with a market capitalisation of over Rs. 205 bn
- ❑ **Foreign institutional investor** holds more than 53 percent of the company equity.

### Operating Revenue Break Up



### Large Assets Under Management ( as on June 30, 2014)

- ❑ Total Assets Under Management (AUM)
  - Pre-Owned CV: Approximately Rs. 480.90 bn
  - New CV: Approximately Rs. 56.33 bn
  - Others: Approximately Rs. 6.34 bn

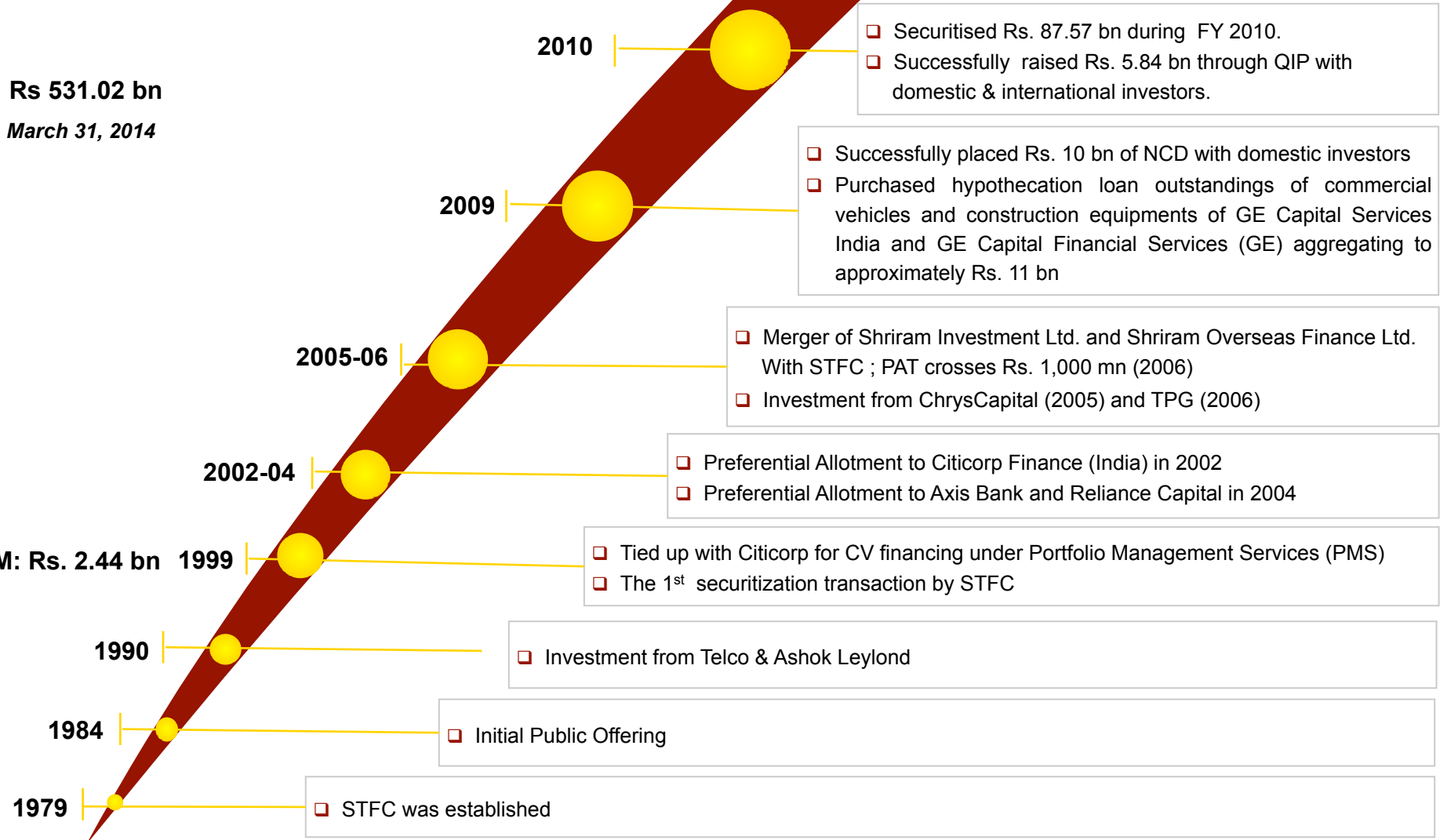
### Extensive Distribution Network

- ❑ Pan-India presence through a network of
  - 666 branch offices
  - 635 rural centres
- ❑ Partnership with over 500 Private Financiers

# Corporate History



**AUM: Rs 531.02 bn**  
As of March 31, 2014



**AUM: Rs. 2.44 bn**

# Unique Business Model



## CV Financing Business Model

### Pre Owned (5-12 Years & 2-5 Years Old CVs)

Lending yields 18-24% (5-12 years)  
Lending yields 15-16% (2-5 years)

### New

Lending yields 14-16%

#### Target Segment

❑ Small truck owners (less than 2-3 trucks) with underdeveloped banking habits

❑ Existing customer base upgrading to new trucks

#### Market Share

❑ Leadership position with a market share of 25-27%

❑ 5-6%

#### Performance

❑ AUM of approximately Rs. 465.54 bn at the end of FY14

❑ AUM of approximately Rs. 62.50 bn at the end of FY14

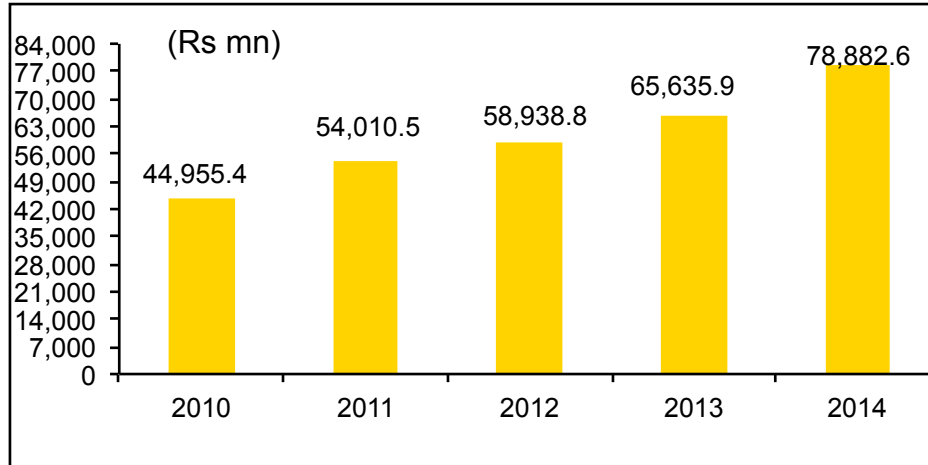
#### Vehicles sold during FY08-14

	FY09	FY10	FY11	FY12	FY13	FY14
LCV	200,699	287,777	361,846	460,831	524,887	432,111
MHCV	183,495	244,944	323,059	348,701	268,263	200,627
<b>Total</b>	<b>384,194</b>	<b>532,721</b>	<b>684,905</b>	<b>809,532</b>	<b>7,93,150</b>	<b>632,738</b>

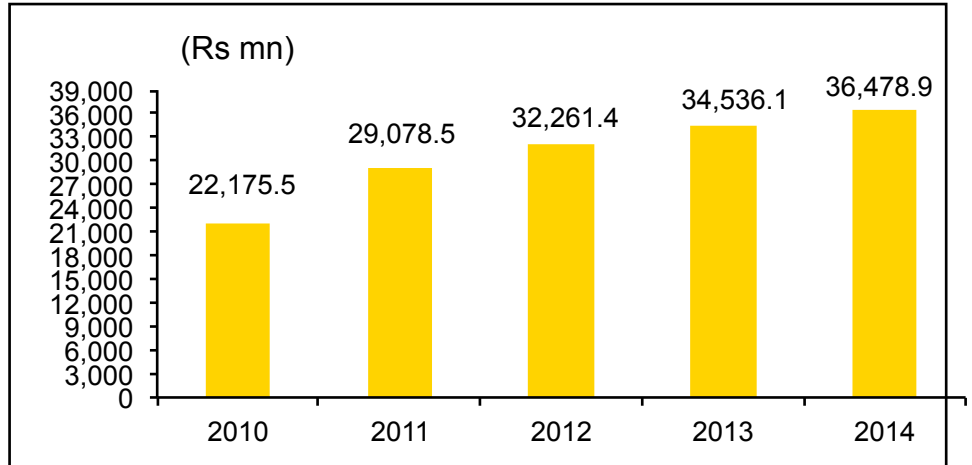
# With a Strong Financial Track Record



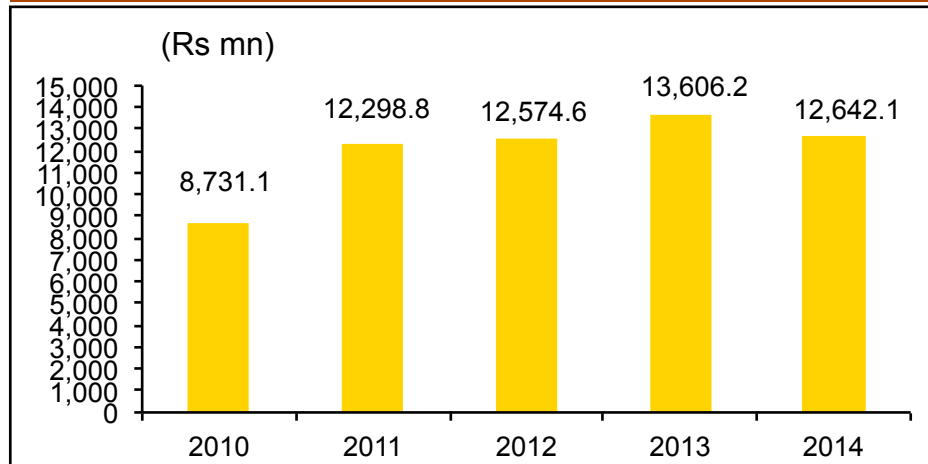
## Total Income



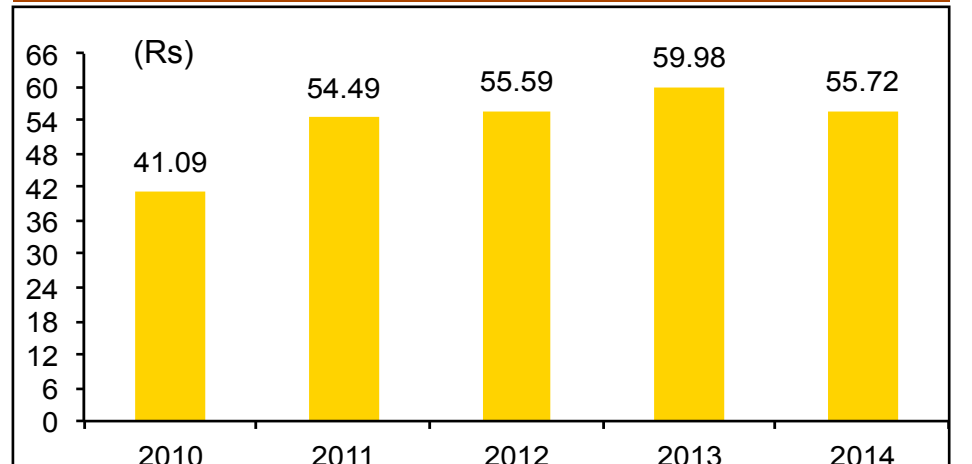
## Net Interest Income



## Net Profit



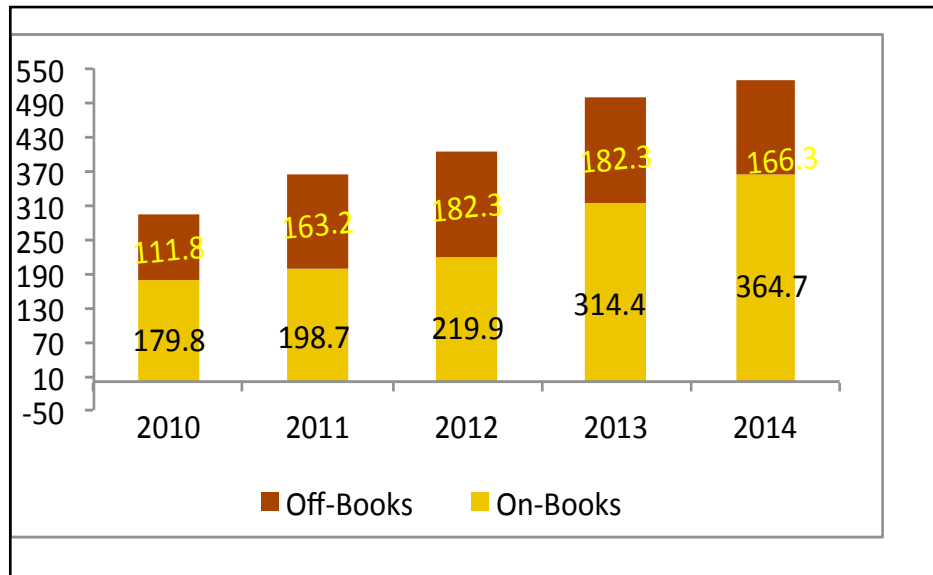
## EPS



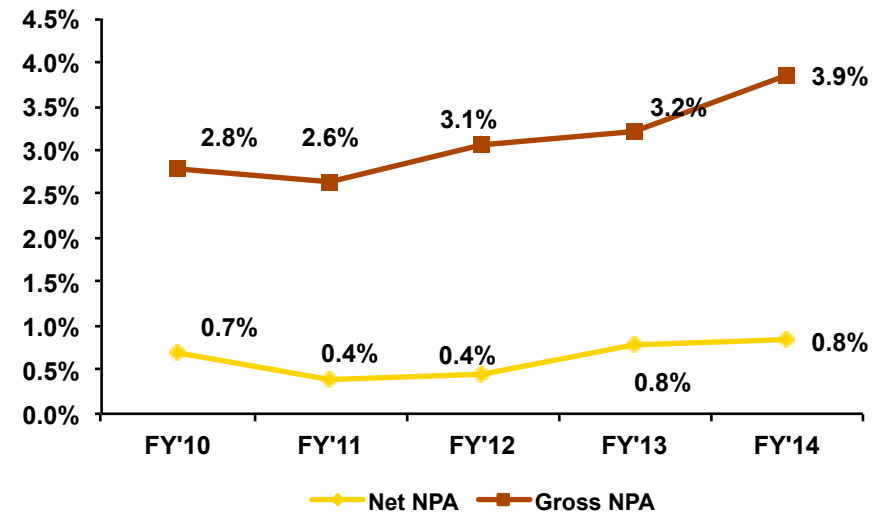
# Driven by Fast Growth in AUM with Low NPAs



## AUM (Rs bn)



## NPA Levels







# 02

## 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

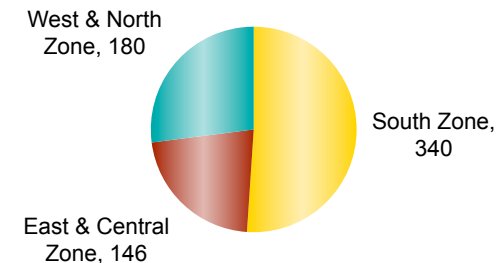


States with STFC Presence

## Pan-India Presence

**666** Branch Offices & **635** Rural Centres  
Tie up with **Appx. 500** Private Financiers  
**17,075** Employees including **10,120** Field Officers

## Regional Split of Branches



As on June 30, 2014

# 2

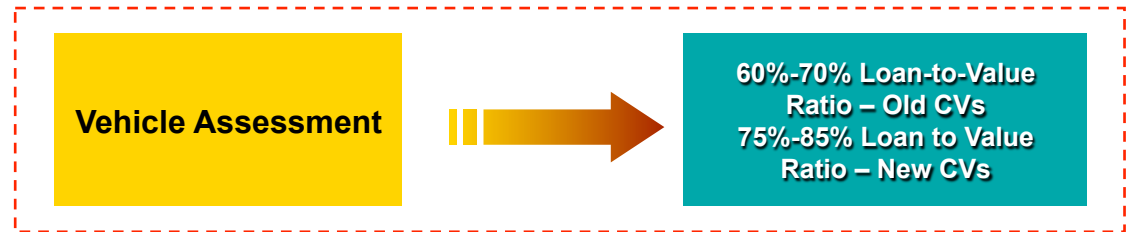
## Valuation Skills & Recovery/Collection Operation: Leveraging on Relationships



### 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

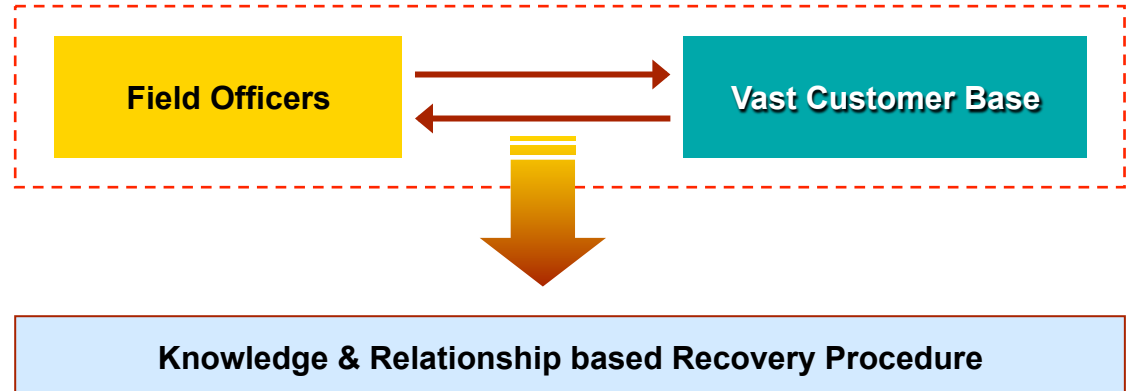
### Knowledge driven valuation model



### 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



*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

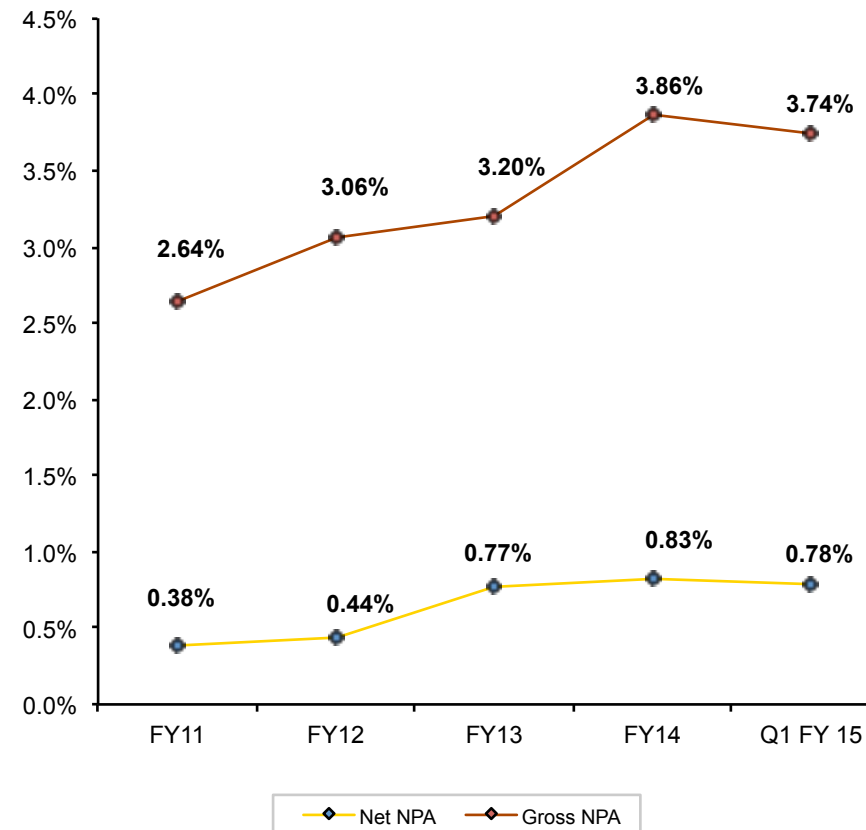
### Reasons for Low Delinquency

- ❑ 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 79% coverage between Gross/Net NPA as on June, 2014**

# 3

## Has Attracted Strong Interest from Quality Investors



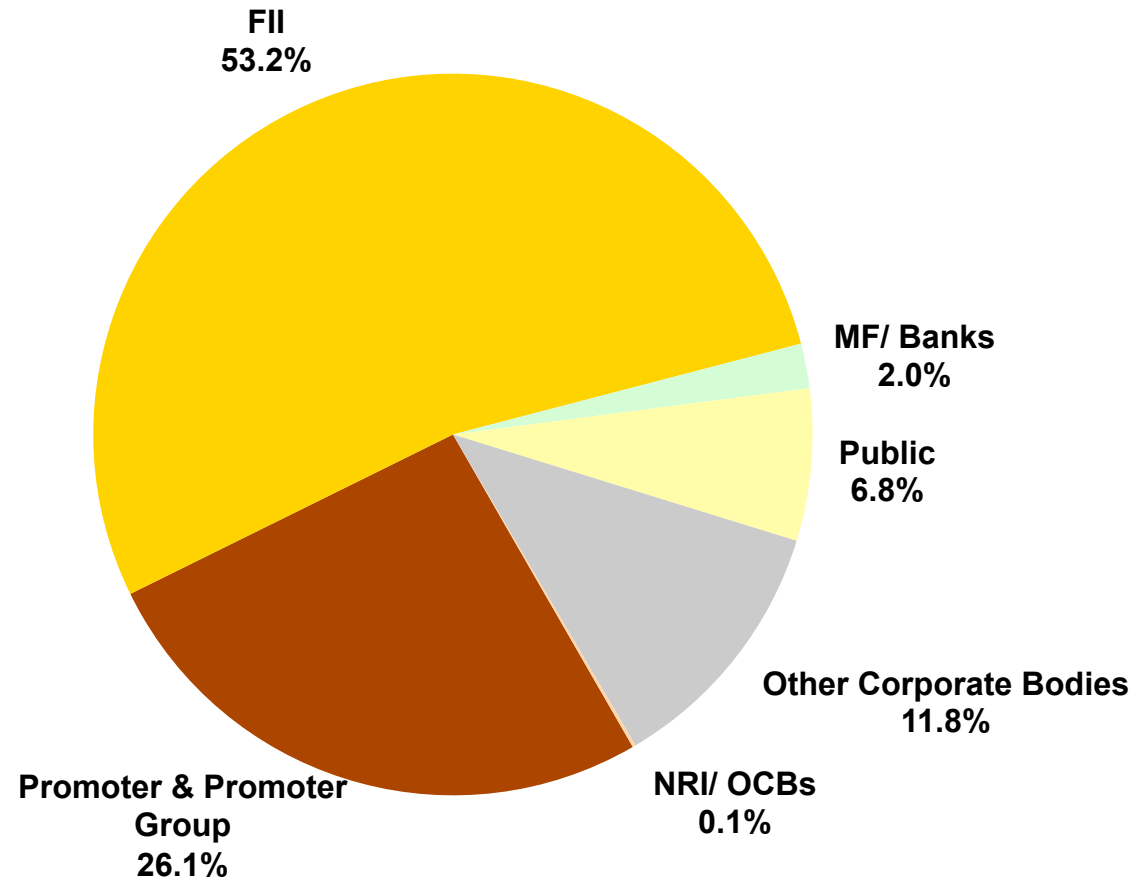
- ❑ Consistent track record and high growth potential has attracted reputed institutional and private equity investors to infuse growth capital
- ❑ Last fund raising : Allotted 11.658 mn equity shares at Rs. 500.80 per share to Qualified Institutional Buyers (QIB) for an aggregate sum of Rs. 5.84 bn 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 June 30, 2014 : 22.89%

Key Shareholders*	Current Shareholding (Mn Shares)	% age
Shriram Capital	59.10	26.05
Piramal Enterprises	22.60	9.96
Genesis Indian Investment Company	11.01	4.85
Ontario Teachers	7.80	3.44
Centaura Investments	7.49	3.30
Sanlam Life Insurance	6.76	2.98
Stiching Pension Fund	4.33	1.91
Merrill Lynch Capital Market Espana	2.87	1.27
Openheimer Developing Market Fund	2.70	1.19
Vanguard Emerging Market Stock Index Fund	2.30	1.01
Public & Others	99.92	44.04
<b>Total</b>	<b>226.88</b>	<b>100.00</b>

\*As on June 30, 2014

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

No. of shares outstanding: 226.88mn



### 3 Optimized Balance Sheet : Access to Low Cost Funds

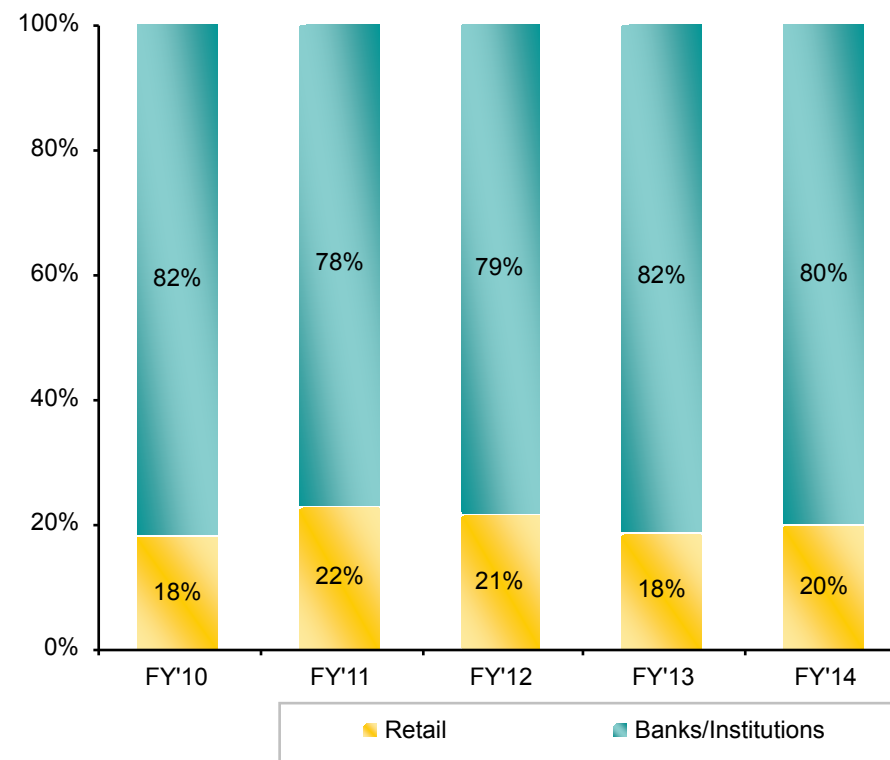
#### Borrowings

- ❑ 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. 137.96 bn at the end of Q1 FY15
- ❑ Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements

#### 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





## Strong Management Team



**Umesh Revenkar**  
*Managing Director*

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

**Vinay Kelkar**  
*Deputy Managing Director*

- ❑ Over 31 years experience and 19 years of experience in finance industry
- ❑ Joined in 1995 and now heads the Compliance and Accounts function, a qualified Chartered Accountant & Cost Accountant

**Parag Sharma**  
*Executive Director & CFO*

- ❑ Over 23 years experience in finance industry
- ❑ Joined in 1995 and now heads the Finance function, a qualified Cost Accountant

**S. Sunder**  
*Executive Director – Accounts & Admn.*

- ❑ Over 23 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 20 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

**Umesh Revenkar**  
*Managing Director*

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

**R Sridhar**  
*Director*

- ❑ Over two decades of experience in financial services sector, especially in commercial vehicle financing
- ❑ Joined Shriram Group in 1985 and served as Managing Director from September, 2000 to March, 2012
- ❑ Holds directorship in other Shriram Group companies
- ❑ Fellow member of the Institute of Chartered Accountants of India

**Amitabh Chaudhry**  
*Director*

- ❑ Over two decades of experience in financial services, MBA from IIM Ahmedabad & B. Tech from BIT, Pilani
- ❑ Holds directorship in HDFC Standard Life Insurance Co. Ltd. & HDFC Life pension Fund management Co. Ltd. & Manipal Universal Learning Pvt. Ltd.

**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.)

### **Mrs Kishori Udeshi** *Director*

- ❑ Holds degree in MA in Economics. First women Deputy Governor of RBI and also on the Board of SEBI, NABARD & EXIM Bank.
- ❑ Holds directorship in HSBC Asset Management, ION Exchange (India) Ltd., HALDYN Glass Ltd etc.

### **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** *Director*

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

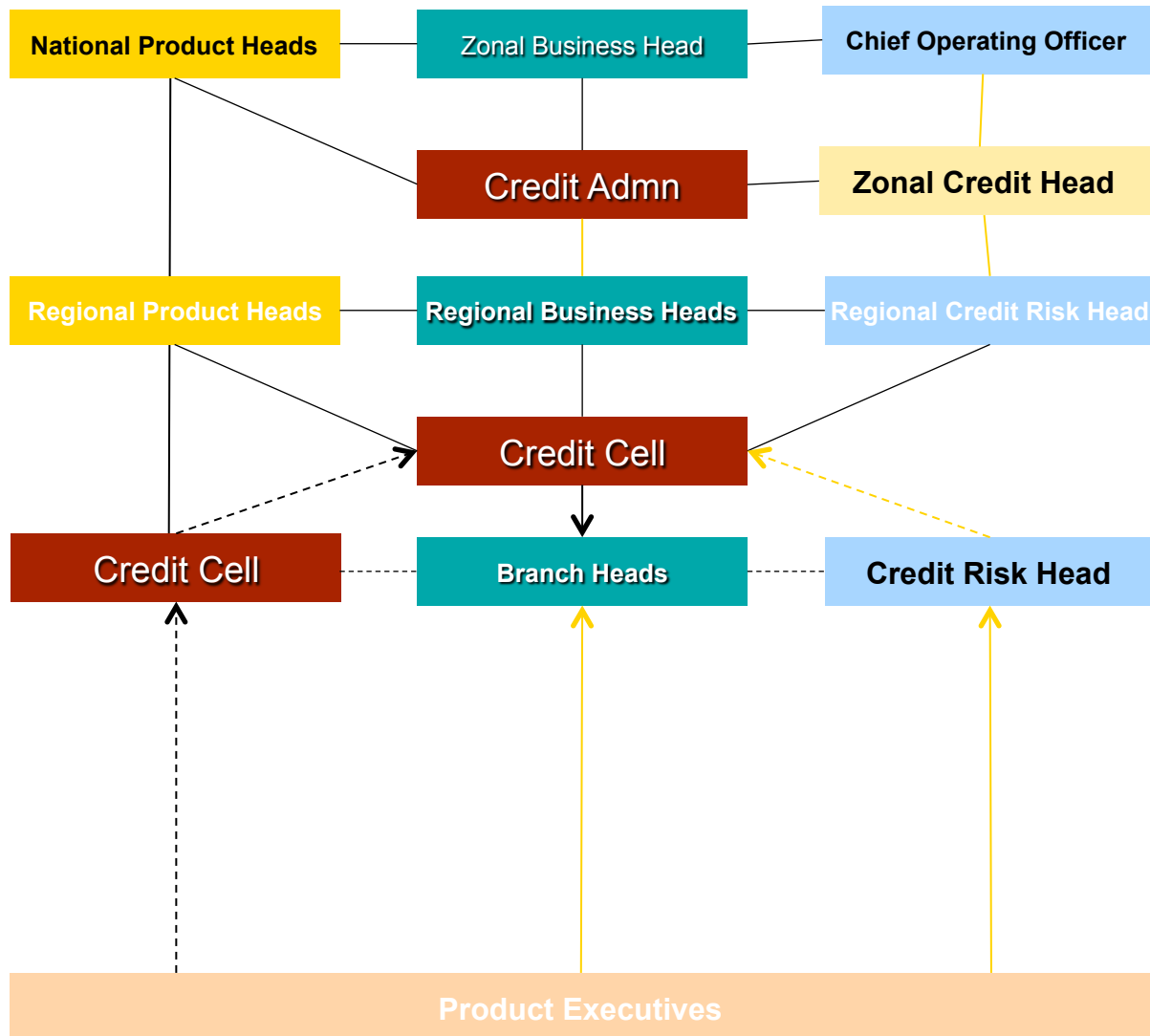
### **Sumatiprasad M Bafna** *Director*

- ❑ 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.

### **Gerrit Lodewyk Van Heerde** *Director*

- ❑ Chief Financial Officer of Sanlam Emerging Markets
- ❑ Has 22 years of experience in the financial services industry and has represented Sanlam at various other boards.

# 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 Heads (666 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

# 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, 2014

### Axis Bank co-branded credit cards

- ❑ Tied up with Axis Bank to distribute credit cards to small truck owners
- ❑ Distributed over 3,50,000 credit cards as of March 31, 2014

### 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. 240 bn for FY14 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. 310 bn in FY14

### Construction Equipment Financing

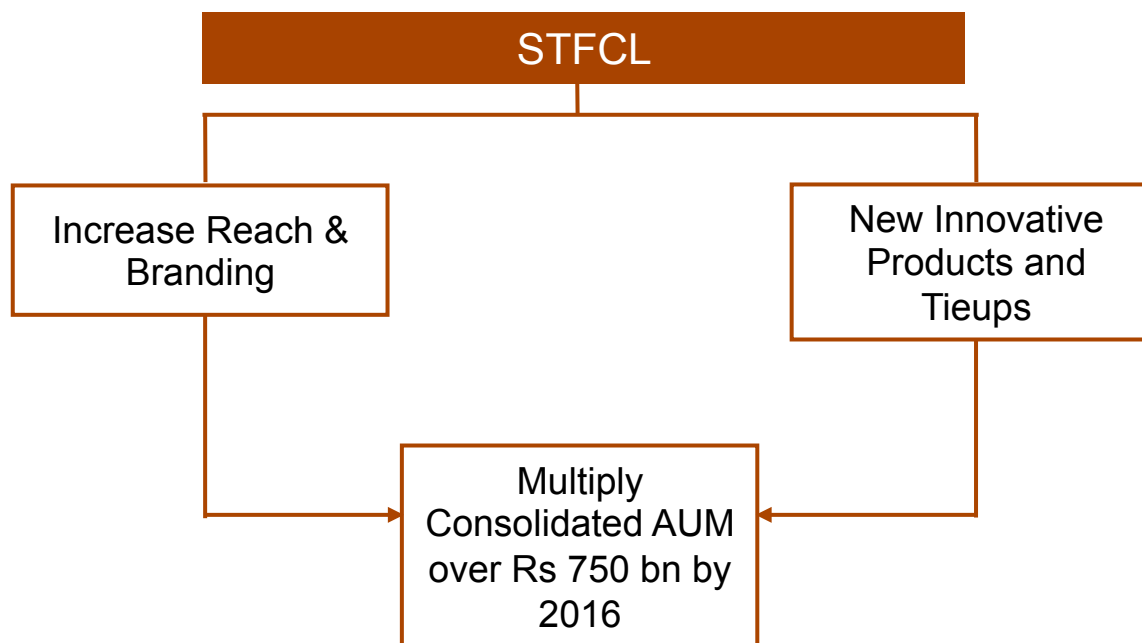
- Market expected to reach over Rs. 400 bn in 2014 driven by huge infrastructure spending during the 11<sup>th</sup> 5-Year Plan estimated at approximately Rs. 20 tn
- This business would be through our 100% subsidiary Shriram Equipment Finance Company Ltd under an independent management which would focus on end-to-end equipment financing

### Automall

- Platform to facilitate buyers and sellers to meet for sale of pre-owned CVs, where Shriram Automall, 100% subsidiary can earn commission fees through its advisory services and STFC will provide financing to the buyer
- Shriram Automall is creating a market for pre-owned trucks in organised and transparent manner and planning to create 50 – 60 such automall

6

Target to reach AUM over Rs 750 bn by FY16



*Well Planed Strategy for Future Growth*

## Over 0.6 mn Customer Base

### AutoMalls



- ❑ Unparalleled physical auction model in the country.
- ❑ Opportunity for Sellers and Financial institutions to sell assets and realize the best value with bidding by 300 and more bidders in every auction.
- ❑ 37 Automalls in operation.
- ❑ Over 0.25 mn assets sold.
- ❑ AutoMalls in addition would be offering host of services like valuation, parking, financing etc.



### Touch Screen Kiosks



- ❑ Touch Screen Kiosks are Virtual Truck Bazaars-Buy & Sell as per convenience.
- ❑ Facilitates Buyer and Sellers to purchase and sell vehicles at the Right price.
- ❑ Kiosks available in 500 branches across the length and breadth of the country.
- ❑ Over 0.21 mn transactions executed.

*These initiatives would help STFC gain the Trust of those associated with the Transport and Equipment Industry*





# 03

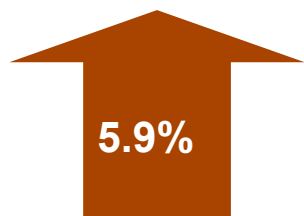
## RECENT PERFORMANCE



# Consolidated Performance Review Q1 FY' 14 Vs. Q1 FY' 15



Rs 21,498.1 mn



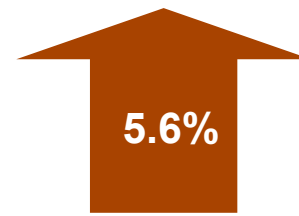
Rs 20,294.9 mn  
**Total Income**

Rs 3,129.0 mn



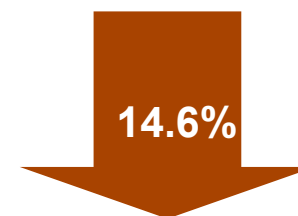
Rs 3,662.7 mn  
**PAT**

Rs 10,156.6 mn



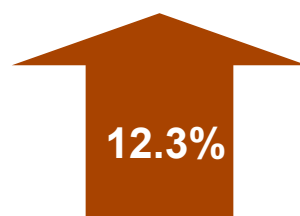
Rs 9,619.5 mn  
**Net Interest Income\***

Rs 13.79



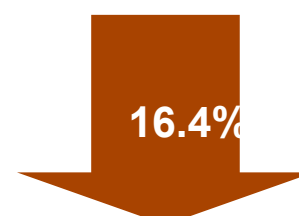
Rs 16.15  
**EPS**

Rs 438.8 bn



Rs 390.6 bn  
**On Books Assets**

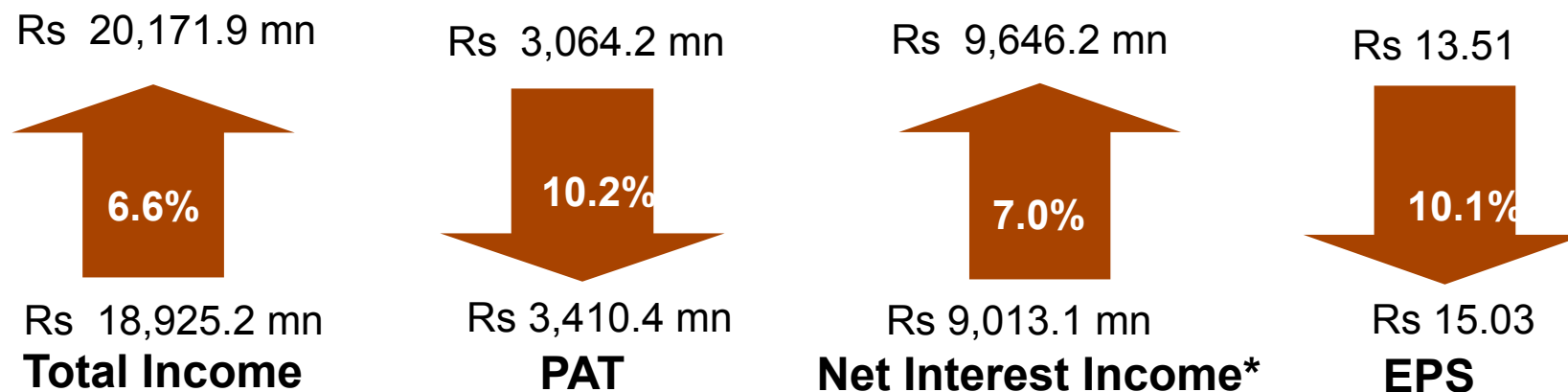
Rs 138.7 bn



Rs 165.9 bn  
**Off Books Assets**

\* including Securitisation Income

## Performance Review Q1 FY' 14 Vs. Q1 FY' 15



➤ **Stable asset quality** with Gross NPAs and the Net NPA at 3.74% & 0.78% respectively and the Net NPA in absolute amount stands at Rs. 3,134.9 mn (Coverage ratio maintained over 79%)

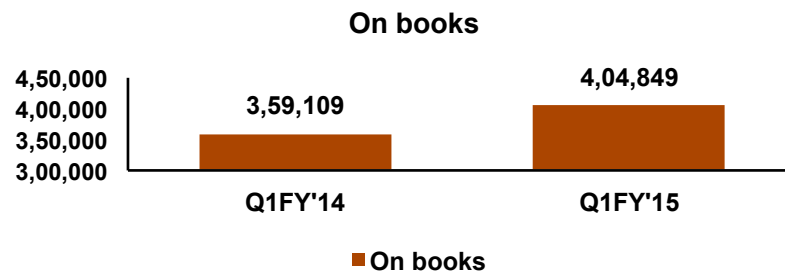
➤ **Employee strength increased** by 30 taking the total strength to 17,075 from 17,045 including 10,120 field executives.

\* including Securitisation Income

## Driven by Growing Assets

### On Balance sheet assets

Rs mn

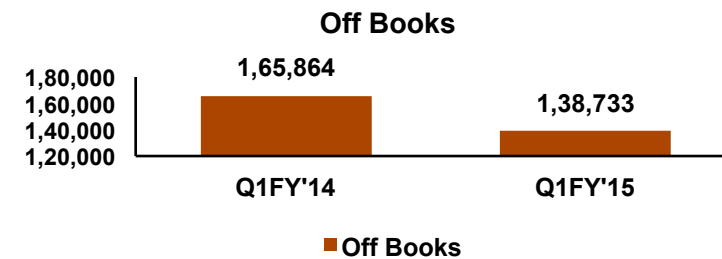


→ 12.7% growth in On Balance sheet assets to Rs. 404.8bn

### Off Balance sheet assets

Rs mn

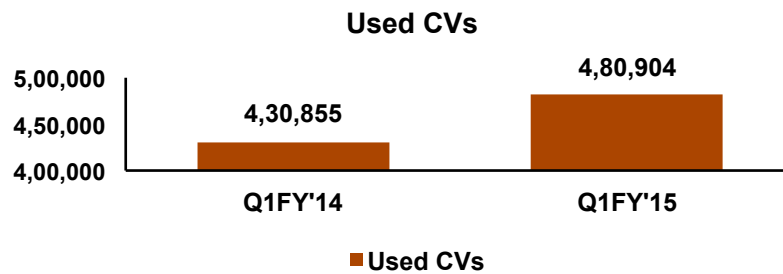
→ Off Balance sheet assets stands at Rs 138.7 bn



## Driven by Growing Assets

### Used CVs assets

Rs mn

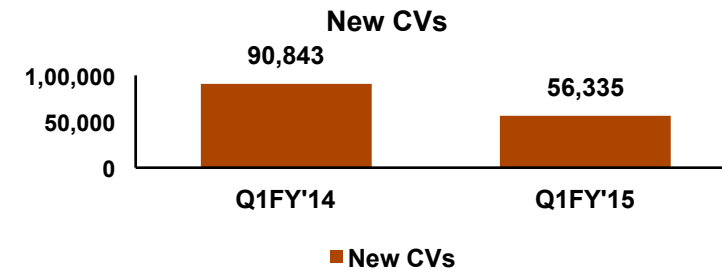


↘ 11.6% growth in Used CVs to Rs 480.9 bn

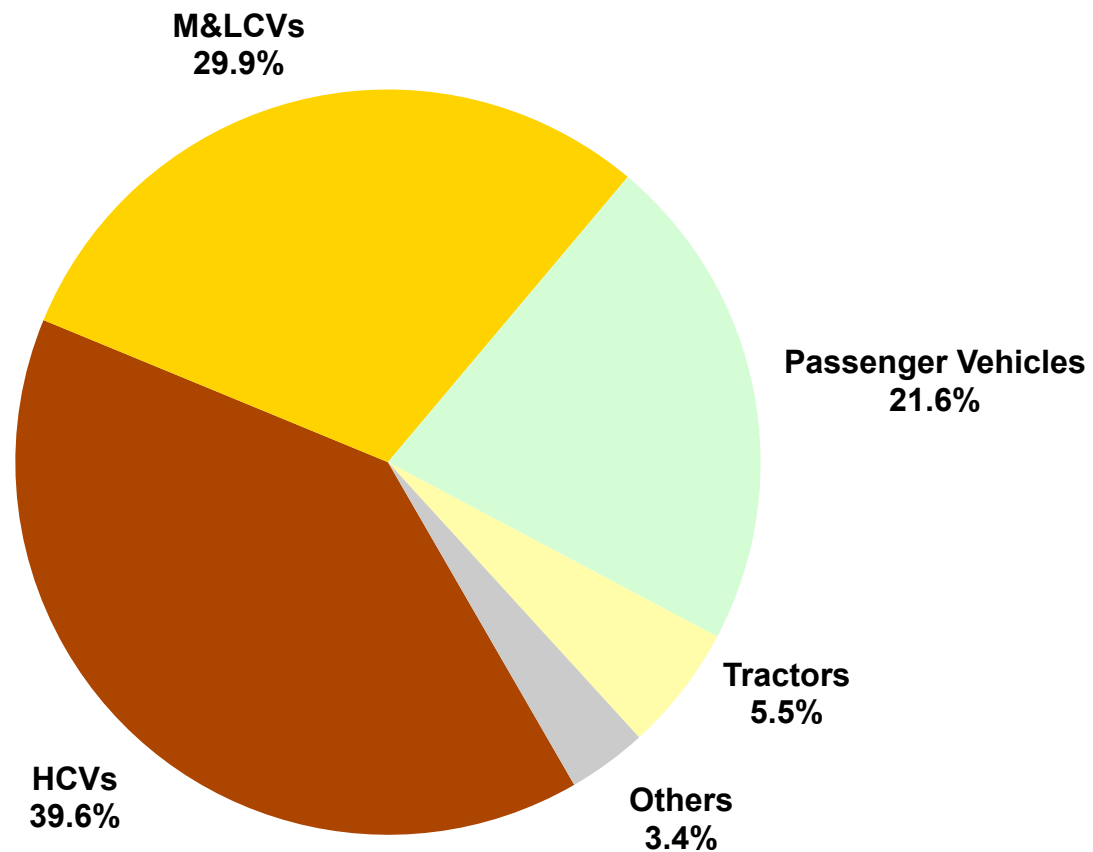
### New CVs assets

Rs mn

↘ 38.0% degrowth in New CVs to Rs 56.3 bn



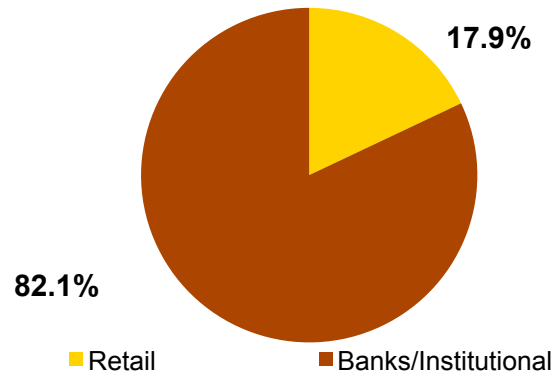
## AUM BREAK-UP



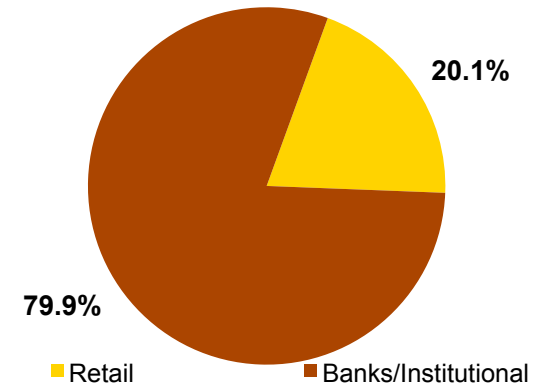
## Supported by a Healthy Borrowing Profile

### Borrowing Profile

Q1 FY' 14 – Rs 339.2 bn



Q1 FY' 15 – Rs 364.4 bn





# 04

## INDUSTRY OPPORTUNITY





## Exponential Growth in CV Financing



- CV Financing market size of Rs 1,900 bn
- Shriram targets the largest market segment of pre-owned, accounting for 43% 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

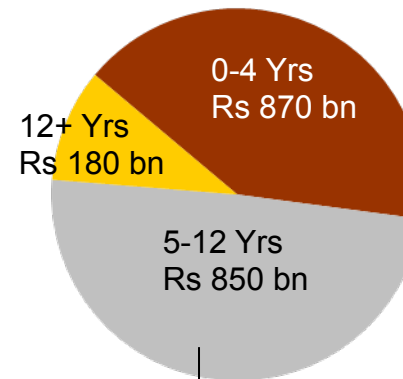
- Legislative pressure on banning trucks beyond 15 years is likely to trigger replacement boom
- Transport associations' introduction of Voluntary Retirement Scheme for old trucks with better financing options
- Financing amount of Rs 1,078bn to be triggered through replacement demand for 1.35mn new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

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

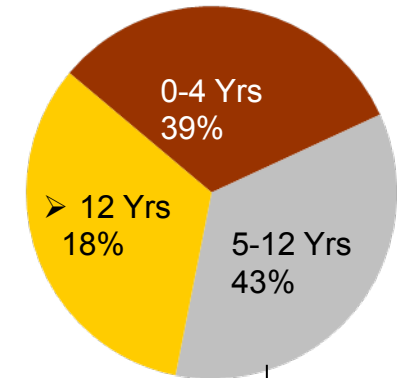
#### Growing freight capacity

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

#### Market Potential



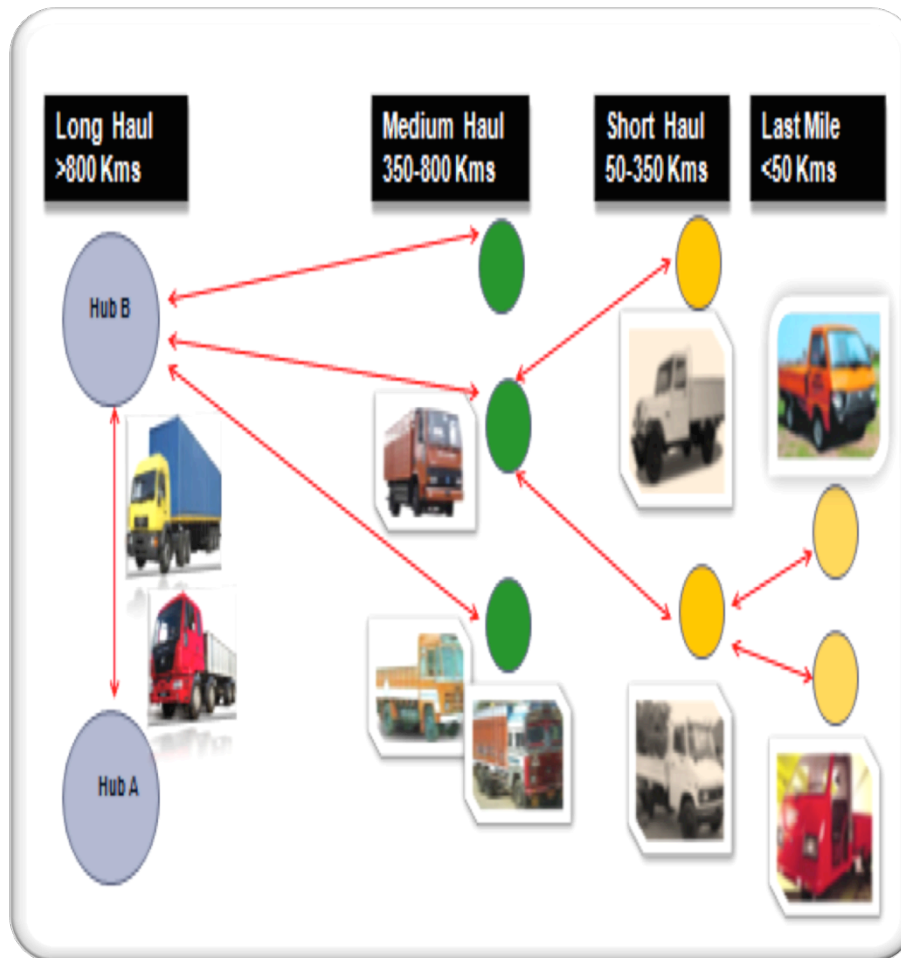
#### Truck Profile (7.5 mn)



Shriram Target Segment

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

## Transport Logistic Model to Stay – hub & spoke



- ❑ Transport Industry maturing with the years.
- ❑ Distribution solution providers changing the dimension of Transportation.
- ❑ Rural and Semi Urban markets seeing higher growth rates across all products.
- ❑ Better Road network seeing light of the day.
- ❑ Competition and Emission standards driving manufacturer's to launch Latest Technology International standard vehicles.
- ❑ Last mile Transport pushing demand for Cargo LCV's.

**STFC will benefit from Exponential growth in the vehicles required for Last Mile Transport-SRTO**

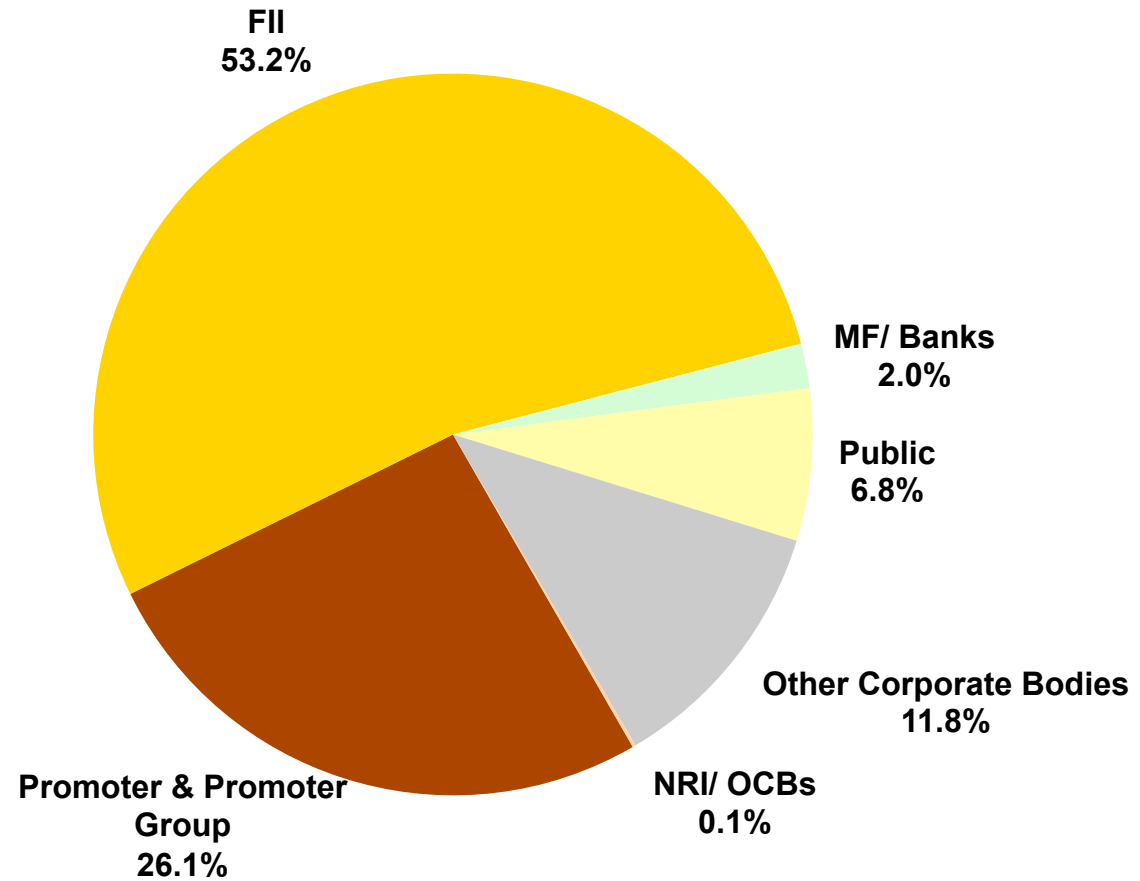


# 05

## ANNEXURES



No. of shares outstanding: 226.88mn



# Profit and Loss Statement



(Rs mn)

Profit & Loss Statement	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
Interest Income	13,855.6	16,379.0	17,049.9	23.05%	4.10%	62,664.4
Interest expended	8,701.7	10,010.7	9,870.7	13.43%	-1.40%	38,981.8
Net Interest Income	5,153.9	6,368.3	7,179.2	39.30%	12.73%	23,682.6
Income from Securitisation	3,972.9	2,868.1	2,583.0	-34.98%	-9.94%	13,367.7
Less : Securitisation exp)	113.7	112.1	116.0	2.01%	3.53%	571.4
Income from Securitisation (Net)	3,859.2	2,756.0	2,467.0	-36.07%	-10.48%	12,796.3
<b>Net Interest Income including Income from Securtisation</b>	<b>9,013.1</b>	<b>9,124.3</b>	<b>9,646.2</b>	<b>7.02%</b>	<b>5.72%</b>	<b>36,478.9</b>
Other fee based income	7.2	4.1	2.9	-59.97%	-29.61%	21.9
<b>Operating Income</b>	<b>9,020.3</b>	<b>9,128.4</b>	<b>9,649.1</b>	<b>6.97%</b>	<b>5.70%</b>	<b>36,500.8</b>
Operating expenditure	2,488.3	2,466.8	2,514.7	1.06%	1.94%	9,560.9
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>6,532.0</b>	<b>6,661.6</b>	<b>7,134.4</b>	<b>9.22%</b>	<b>7.10%</b>	<b>26,939.9</b>
Other Income	816.2	238.3	263.2	-67.75%	10.48%	1,633.5
<b>Operating Profit</b>	<b>7,348.2</b>	<b>6,899.9</b>	<b>7,397.6</b>	<b>0.67%</b>	<b>7.21%</b>	<b>28,573.4</b>
Provisions for Bad Debts	2,392.4	2,492.9	2,873.8	20.12%	15.28%	10,166.9
Provisions against Standard Assets	110.7	(35.4)	91.9	-17.02%	-359.48%	126.1
<b>PBT</b>	<b>4,845.1</b>	<b>4,442.4</b>	<b>4,431.9</b>	<b>-8.53%</b>	<b>-0.24%</b>	<b>18,280.4</b>
Tax	1,434.7	1,492.8	1,367.7	-4.67%	-8.38%	5,638.3
<b>PAT</b>	<b>3,410.4</b>	<b>2,949.6</b>	<b>3,064.2</b>	<b>-10.15%</b>	<b>3.89%</b>	<b>12,642.1</b>
<b>EPS (Rs)</b>	<b>15.03</b>	<b>13.00</b>	<b>13.51</b>	<b>-10.14%</b>	<b>3.89%</b>	<b>55.72</b>
<b>Tier I CRAR %</b>	<b>15.95%</b>	<b>17.69%</b>	<b>17.46%</b>	<b>9.46%</b>	<b>-1.31%</b>	<b>17.69%</b>
<b>Tier II CRAR %</b>	<b>4.30%</b>	<b>5.68%</b>	<b>5.43%</b>	<b>26.27%</b>	<b>-4.36%</b>	<b>5.68%</b>
<b>Total CRAR %</b>	<b>20.25%</b>	<b>23.37%</b>	<b>22.89%</b>	<b>13.03%</b>	<b>-2.05%</b>	<b>23.37%</b>
<b>Book Value (Rs)</b>	<b>330.75</b>	<b>362.72</b>	<b>376.34</b>	<b>13.79%</b>	<b>3.75%</b>	<b>362.72</b>

Key Ratios (%)	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
Return on Avg. Net Worth	18.52%	14.43%	14.55%	-21.46%	0.84%	16.20%
Return on Avg. Assets	3.04%	2.38%	2.46%	-19.16%	3.38%	2.64%
Interest Coverage Ratio	2.14	1.95	2.02	-5.95%	3.55%	1.99
NIM on AUM	7.01%	6.46%	6.54%	-6.71%	1.22%	6.70%

# Balance Sheet

(Rs mn)

Balance Sheet	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
<b>Liabilities</b>						
<i>Shareholder funds</i>						
(a) Share capital	2,268.9	2,269.1	2,269.1	0.01%	0.00%	2,269.1
(b) Reserves and surplus	73,089.0	80,463.1	83,514.9	14.26%	3.79%	80,463.1
<i>Non-current liabilities</i>						
(a) Long-term borrowings	1,92,412.9	2,27,120.9	2,25,020.6	16.95%	-0.92%	2,27,120.9
(b) Other Long term liabilities	10,448.0	9,869.9	8,988.9	-13.97%	-8.93%	9,869.9
(c) Long term provisions	11,816.3	12,717.4	13,342.2	12.91%	4.91%	12,717.4
<i>Current liabilities</i>						
(a) Short-term borrowings	48,450.8	29,859.0	38,441.0	-20.66%	28.74%	29,859.0
(b) Trade payables	6,404.9	4,459.2	4,770.5	-25.52%	6.98%	4,459.2
(c) Other current liabilities	1,08,024.1	1,22,562.9	1,19,804.1	10.90%	-2.25%	1,22,562.9
(d) Short-term provisions	3,349.8	2,935.6	3,368.5	0.56%	14.75%	2,935.6
<b>Total</b>	<b>4,56,264.7</b>	<b>4,92,257.1</b>	<b>4,99,519.8</b>	<b>9.48%</b>	<b>1.48%</b>	<b>4,92,257.1</b>
<b>Assets</b>						
<i>Non-current assets</i>						
(a) Fixed assets						
(i) Tangible assets	665.1	990.2	972.1	46.16%	-1.83%	990.2
(ii) Intangible assets	15.3	16.4	15.3	0.00%	-6.71%	16.4
(b) Non-current investments	5,894.2	6,878.0	7,621.3	29.30%	10.81%	6,878.0
(c) Deferred tax assets (net)	2,952.3	2,511.6	2,426.0	-17.83%	-3.41%	2,511.6
(d) Long term loans and advances	2,18,609.7	2,20,991.0	2,46,556.7	12.78%	11.57%	2,20,991.0
(e) Other non-current assets	1,069.6	944.2	378.1	-64.65%	-59.96%	944.2
<i>Current assets</i>						
(a) Current investments	6,936.8	20,374.6	9,562.5	37.85%	-53.07%	20,374.6
(b) Cash and bank balances	55,663.5	70,859.8	53,807.3	-3.33%	-24.07%	70,859.8
(c) Short-term loans and advances	1,63,550.7	1,67,891.2	1,77,352.3	8.44%	5.64%	1,67,891.2
(d) Other current assets	907.5	800.1	828.2	-8.74%	3.51%	800.1
<b>Total</b>	<b>4,56,264.7</b>	<b>4,92,257.1</b>	<b>4,99,519.8</b>	<b>9.48%</b>	<b>1.48%</b>	<b>4,92,257.1</b>

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

Particulars		Q1	Q4	Q1	%	%	Year ended
		FY 2013 14	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Interest Income	mn	13,855.6	16,379.0	17,049.9	23.05%	4.10%	62,664.4
Securitisation Income	mn	3,859.2	2,756.0	2,467.0	-36.07%	-10.48%	12,796.3
Total Interest Income	mn	17,714.8	19,135.0	19,516.9	10.17%	2.00%	75,460.7
Less : Interest Expenses	mn	8,701.7	10,010.7	9,870.7	13.43%	-1.40%	38,981.8
Net Interest Income	mn	9,013.1	9,124.3	9,646.2	7.02%	5.72%	36,478.9
Other Income	mn	823.4	242.4	266.1	-67.68%	9.79%	1,655.3
Operating Income	mn	9,836.5	9,366.7	9,912.3	0.77%	5.83%	38,134.2
Profit after Tax	mn	3,410.4	2,949.7	3,064.2	-10.15%	3.88%	12,642.1
Cost to Income Ratio	%	25.30%	26.34%	25.37%	0.29%	-3.67%	25.07%
EPS	Rs.	15.03	13.00	13.51	-10.14%	3.89%	55.72
ROA	%	3.04%	2.38%	2.46%	-19.16%	3.38%	2.64%
ROE	%	18.52%	14.43%	14.55%	-21.46%	0.84%	16.20%
NIM (on AUM)	%	7.01%	6.46%	6.54%	-6.71%	1.22%	6.70%

## Details of Key Parameters (Balance Sheet)

Particulars		Q1	Q4	Q1	%	%	Year ended
		FY 2013 14	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
<b>Asset under Management</b>							
- On Books	mn	3,59,109.3	3,64,736.8	4,04,849.4	12.74%	11.00%	3,64,736.8
- Off Books	mn	1,65,864.1	1,66,284.3	1,38,733.4	-16.36%	-16.57%	1,66,284.3
<b>Total AUM</b>	mn	<b>5,24,973.4</b>	<b>5,31,021.1</b>	<b>5,43,582.8</b>	<b>3.54%</b>	<b>2.37%</b>	<b>5,31,021.1</b>
Securitisation done	mn	13,661.1	42,721.9	1,702.0	-87.54%	-96.02%	1,06,795.5
Gross NPA	%	3.09%	3.86%	3.74%	21.10%	-3.10%	3.86%
Net NPA	%	0.68%	0.83%	0.78%	15.82%	-6.02%	0.83%
Gross NPA	mn	11,316.6	14,505.0	15,465.9	36.67%	6.62%	14,505.0
Net NPA	mn	2,412.0	3,029.1	3,134.9	29.97%	3.49%	3,029.1
Coverage Ratio	%	78.69%	79.12%	79.73%	1.33%	0.78%	79.12%
CRAR	%	20.25%	23.37%	22.89%	13.03%	-2.05%	23.37%
Book Value	Rs.	330.75	362.72	376.34	13.79%	3.75%	376.34



### 1. Shriram Equipment Finance Company Limited.

Assets under Finance - Rs. 33,981.9 mn in Q1 FY 15 (Rs. 31,526.5 mn in Q1 FY 14)

PAT – Rs. 53.3 mn in Q1 FY 15 (Rs. 256.0 mn in Q1 FY 14)

### 2. Shriram Automall India Limited.

- ONE STOP - Launched in more than 500 branches.
- AUTOMALL – 37 Automall in operation.

### 3. Fees Income earned Rs. 147.23 mn in Q1 FY 15 (Rs. 168.55 mn in Q1 FY 14)

# Subsidiary - Shriram Equipment Finance Company Limited

## Profit and Loss Statement



(Rs mn)

Profit & Loss Statement	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
Interest Income	1,288.8	1,319.4	1,261.8	-2.10%	-4.37%	5,437.8
Interest expended	682.4	766.6	751.4	10.11%	-1.99%	2,897.6
Net Interest Income	606.4	552.8	510.4	-15.83%	-7.67%	2,540.2
<b>Operating Income</b>	<b>606.4</b>	<b>552.8</b>	<b>510.4</b>	<b>-15.83%</b>	<b>-7.67%</b>	<b>2,540.2</b>
Operating expenditure	145.1	165.0	153.3	5.63%	-7.07%	584.2
<b>Core Operating Profit (before Provisions &amp; Contingencies)</b>	<b>461.2</b>	<b>387.8</b>	<b>357.1</b>	<b>-22.59%</b>	<b>-7.92%</b>	<b>1,956.0</b>
Other Income	0.0	1.6	0.1	101.35%	-96.03%	1.7
<b>Operating Profit</b>	<b>461.3</b>	<b>389.4</b>	<b>357.1</b>	<b>-22.58%</b>	<b>-8.28%</b>	<b>1,957.6</b>
Provisions for Bad Debts	72.2	141.0	278.2	285.02%	97.25%	634.3
Provisions against Standard Assets	3.2	(1.3)	(1.4)	-144.08%	9.39%	9.8
<b>PBT</b>	<b>385.9</b>	<b>249.6</b>	<b>80.4</b>	<b>-79.17%</b>	<b>-67.80%</b>	<b>1,313.5</b>
Tax	129.9	84.9	27.0	-79.17%	-68.13%	445.2
<b>PAT</b>	<b>256.0</b>	<b>164.8</b>	<b>53.3</b>	<b>-79.17%</b>	<b>-67.63%</b>	<b>868.3</b>
<b>EPS (Rs)</b>	<b>25.59</b>	<b>16.47</b>	<b>5.33</b>	<b>-79.19%</b>	<b>-67.66%</b>	<b>86.81</b>
Tier I CRAR %	13.49%	14.21%	14.54%	7.75%	2.33%	14.21%
Tier II CRAR %	5.96%	5.61%	5.68%	-4.74%	1.17%	5.61%
<b>Total CRAR %</b>	<b>19.45%</b>	<b>19.82%</b>	<b>20.22%</b>	<b>3.93%</b>	<b>2.00%</b>	<b>19.82%</b>
<b>Book Value (Rs)</b>	<b>177.62</b>	<b>238.93</b>	<b>244.26</b>	<b>37.51%</b>	<b>2.23%</b>	<b>238.93</b>

Key Ratios (%)	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
Return on Avg. Net Worth	24.68%	13.71%	4.34%	-82.42%	-68.35%	19.34%
Return on Avg. Assets	3.23%	1.88%	0.62%	-80.87%	-67.21%	2.59%
Interest Coverage Ratio	1.89	1.72	1.67	-11.08%	-2.54%	1.87

# Subsidiary - Shriram Equipment Finance Company Limited

## Balance Sheet



(Rs mn)

Balance Sheet	Q1 FY'14	Q4 FY'14	Q1 FY'15	YoY %	QoQ %	FY'14
<b>I. EQUITY AND LIABILITIES</b>						
<b>(1) Shareholders' funds</b>						
(a) Share capital	2,600.0	2,600.0	2,600.0	0.00%	0.00%	2,600.0
(b) Reserves and surplus	1,676.2	2,289.3	2,342.6	39.75%	2.33%	2,289.3
<b>(2) Non-Current Liabilities</b>						
(a) Long-term borrowings	9,950.7	13,915.1	12,279.9	23.41%	-11.75%	13,915.1
(b) Other long term liabilities	53.5	11.0	12.5	-76.66%	13.04%	11.0
(c) Long term provisions	204.4	312.7	512.9	150.90%	64.05%	312.7
<b>(3) Current Liabilities</b>						
(a) Short-term borrowings	7,349.5	4,078.8	4,981.4	-32.22%	22.13%	4,078.8
(b) Trade payables	811.2	508.5	749.3	-7.63%	47.34%	508.5
(c) Other current liabilities	10,136.4	10,895.5	11,169.8	10.19%	2.52%	10,895.5
(d) Short-term provisions	108.4	69.0	71.5	-34.06%	3.60%	69.0
	<b>18,405.6</b>	<b>15,551.9</b>	<b>16,972.0</b>	<b>-7.79%</b>	<b>9.13%</b>	<b>15,551.9</b>
<b>Total</b>	<b>32,890.4</b>	<b>34,680.0</b>	<b>34,719.8</b>	<b>5.56%</b>	<b>0.11%</b>	<b>34,680.0</b>
<b>II. ASSETS</b>						
<b>(1) Non-current assets</b>						
(a) Fixed assets						
(i) Tangible assets	8.3	9.7	8.1	-2.97%	-16.77%	9.7
(ii) Intangible assets	1.6	1.0	0.9	-42.30%	-6.85%	1.0
(b) Deferred tax assets (net)	30.4	32.7	31.8	4.62%	-2.73%	32.7
(c) Long term loans and advances	17,350.2	18,106.0	17,902.2	3.18%	-1.13%	18,106.0
<b>(2) Current assets</b>						
(a) Cash and bank balances	1,195.8	304.1	494.7	-58.63%	62.65%	304.1
(b) Short-term loans and advances	14,302.3	16,226.4	16,282.2	13.84%	0.34%	16,226.4
(c) Other current assets	1.7	0.0	0.0	-100.00%	0.00%	0.0
<b>Total</b>	<b>32,890.4</b>	<b>34,680.0</b>	<b>34,719.8</b>	<b>5.56%</b>	<b>0.11%</b>	<b>34,680.0</b>

## Subsidiary - Shriram Equipment Finance Company Limited

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



Particulars		Q1	Q4	Q1	%	%	Year ended
		FY 2013 14	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Interest Income	mn	1,288.8	1,319.4	1,261.8	-2.10%	-4.37%	5,437.8
Less : Interest Expenses	mn	682.4	766.6	751.4	10.11%	-1.99%	2,897.6
Net Interest Income	mn	606.4	552.8	510.4	-15.83%	-7.67%	2,540.2
Other Income	mn	0.0	1.6	0.1	101.35%	-96.03%	1.7
Operating Income	mn	606.4	554.4	510.5	-15.83%	-7.92%	2,541.8
Profit after Tax	mn	256.0	164.8	53.3	-79.17%	-67.63%	868.3
Cost to Income Ratio	%	23.93	29.76	30.04	25.49%	0.92%	22.98
EPS	Rs.	25.59	16.47	5.33	-79.19%	-67.66%	86.81
ROA	%	3.23	1.88	0.62	-80.87%	-67.21%	2.59
ROE	%	24.68	13.71	4.34	-82.42%	-68.35%	19.34

## Subsidiary - Shriram Equipment Finance Company Limited

### Details of Key Parameters (Balance Sheet)



Particulars		Q1	Q4	Q1	%	%	Year ended
		FY 2013 14	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Asset under Management	mn	31,526.5	34,183.9	33,981.9	7.79%	-0.59%	34,183.9
Gross NPA	%	0.80	1.30	2.31	189.13%	77.93%	1.30
Net NPA	%	0.31	0.53	0.95	209.72%	78.05%	0.53
Gross NPA	mn	251.91	449.83	789.14	213.26%	75.43%	449.8
Net NPA	mn	95.38	181.30	318.83	234.28%	75.86%	181.3
Coverage Ratio	%	62.14	59.70	59.60	-4.09%	-0.16%	59.70
CRAR	%	19.45	19.82	20.22	3.93%	2.00%	19.82
Book Value	Rs.	177.62	238.93	244.26	37.51%	2.23%	238.93

## Subsidiary - Shriram Automall India Limited

### Profit and Loss Statement



(Rs mn)

Particulars	Q1 FY 14	Q4 FY 14	Q1 FY 15	FY 14
<b>Income</b>				
Revenue from operations	168.55	198.26	147.23	732.51
Other income	6.76	15.37	8.54	31.95
<b>Total</b>	<b>175.31</b>	<b>213.63</b>	<b>155.77</b>	<b>764.46</b>
<b>Expenditure</b>				
Employees Benefit expense	70.03	64.76	61.22	272.19
Finance cost	0.09	0.11	0.50	0.41
Depreciation and amortisation	9.40	6.19	9.04	32.26
Other expenses	81.04	92.80	71.52	335.24
<b>Total</b>	<b>160.56</b>	<b>163.86</b>	<b>142.28</b>	<b>640.10</b>
<b>Profit/(Loss) before taxation</b>	14.75	49.77	13.49	124.36
<b>Provision for taxation</b>				
Current tax	8.62	15.76	5.50	46.98
Deferred tax liability / (Asset)	(3.64)	(0.52)	(3.45)	(5.25)
<b>Total tax expense / (income)</b>	4.98	15.24	2.05	41.73
<b>Profit/(Loss) after tax from continuing operations</b>	9.77	34.53	11.44	82.63
<b>Earnings/(Loss) per share</b>				
Basic & Diluted (Rs.)	0.33	1.15	0.38	2.75
Nominal Value of Share (Rs.)	10.00	10.00	10.00	10.00

# Subsidiary - Shriram Automall India Limited

## Balance Sheet



(Rs mn)

Particulars	Q1 FY 14	Q4 FY 14	Q1 FY 15	FY 14
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share capital	300.00	300.00	300.00	300.00
(b) Reserves and Surplus	7.12	80.26	89.01	80.26
<b>(2) Non-Current Liabilities</b>				
(a) Long term provisions	13.47	-	-	-
<b>(3) Current Liabilities</b>				
(a) Short-term borrowings	10.46	0.01	1.40	0.01
(b) Trade payables	122.91	286.74	239.25	286.74
(c) Other current liabilities	9.91	12.42	9.18	12.42
(d) Short-term provisions	11.93	11.42	11.59	11.42
<b>Total</b>	<b>475.80</b>	<b>690.85</b>	<b>650.43</b>	<b>690.85</b>
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	96.61	526.76	518.42	526.76
(ii) Intangible assets	8.09	4.21	2.69	4.21
(iii) Capital work-in-progress	0.41	-	-	-
(b) Deferred tax assets	9.62	11.22	14.67	11.22
(c) Long term loans and advances	54.28	14.80	21.55	14.80
(d) Other assets	0.12	-	-	-
<b>(2) Current assets</b>				
(a) Inventories	-	-	-	-
(b) Trade receivables	0.03	82.34	9.76	82.34
(c) Cash and bank balances	13.24	20.47	49.22	20.47
(d) Short-term loans and advances	286.93	31.01	34.09	31.01
(e) Other assets	6.47	0.04	0.03	0.04
<b>Total</b>	<b>475.80</b>	<b>690.85</b>	<b>650.43</b>	<b>690.85</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 on Balance sheet of Rs. 40,484.93 crores and off Balance sheet assets of Rs. 13,873.34 crores. 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 666 branches, and employs 17,075 employees including 10,120 field officers. The company has built a strong customer base of approx. 1.10 mn. Over the past 35 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**