



# SHRIRAM TRANSPORT FINANCE COMPANY LTD

MARCH 2013

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# 01

## COMPANY SNAPSHOT

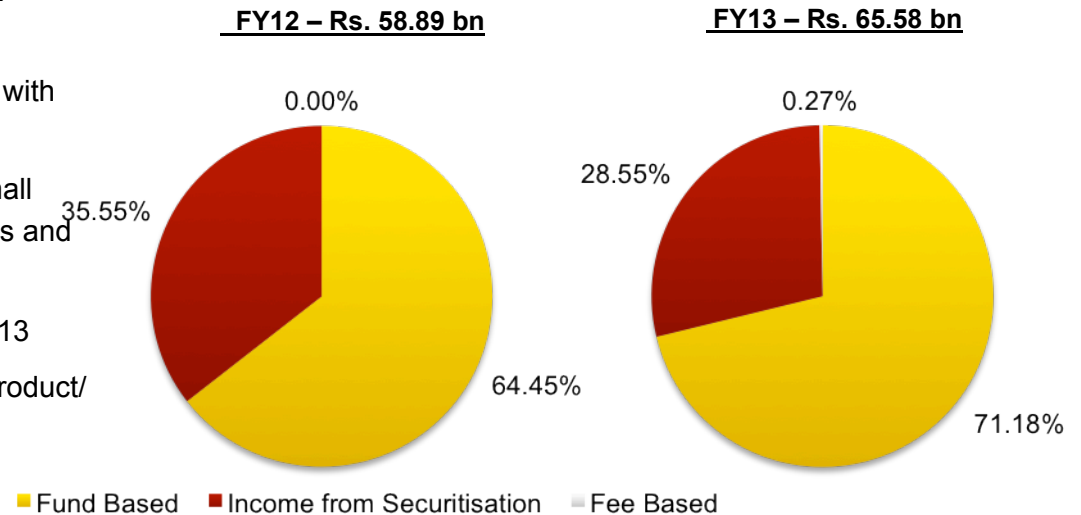


# Market Leader in High-Yield Pre-Owned CV Financing



- ❑ **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 0.95 mn as of March 31, 2013
- ❑ **Employee strength** of approximately 16,178 including 10,057 product/credit executives as of March 31, 2013
- ❑ **Listed on the National Stock Exchange and Bombay Stock Exchange** with a market capitalisation of over Rs. 170 bn
- ❑ **Foreign institutional investor** holds more than 53 percent of the company equity.

## Operating Revenue Break Up



## Large Assets Under Management ( as on March 31, 2013)

- ❑ Total Assets Under Management (AUM) of Rs. 496.76 bn
  - Pre-Owned CV: Approximately Rs. 398.28 bn
  - New CV: Approximately Rs. 95.27 bn
  - Others: Approximately Rs. 3.21 bn

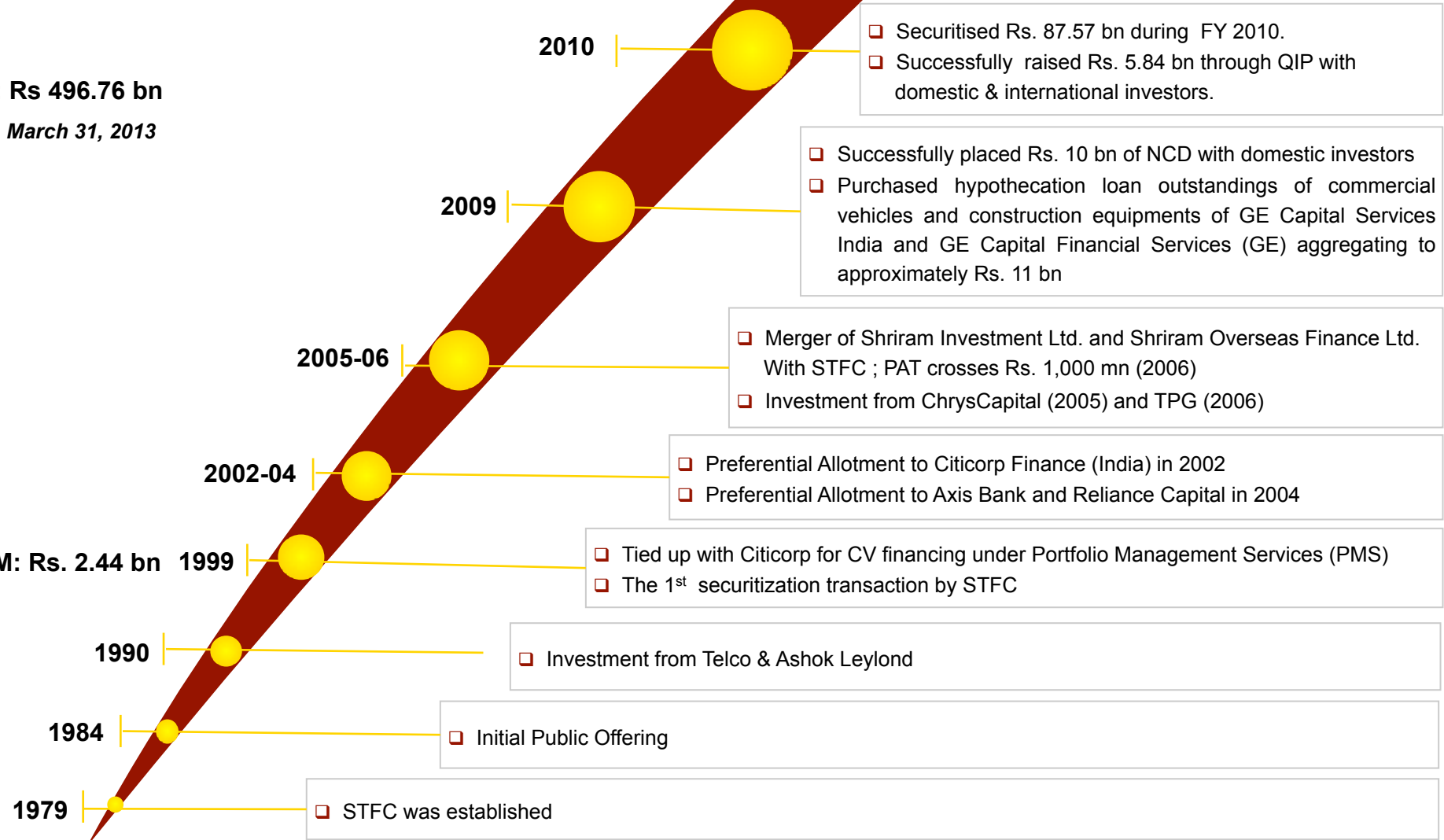
## Extensive Distribution Network

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

# Corporate History



**AUM: Rs 496.76 bn**  
As of March 31, 2013



# 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. 398.28 bn at the end of FY13

❑ AUM of approximately Rs. 95.27 bn at the end of FY13

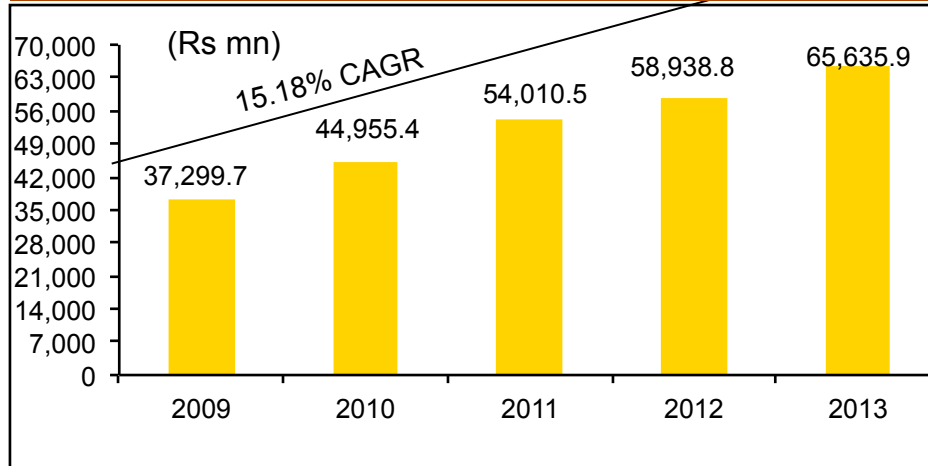
#### Vehicles sold during FY08-13

	FY08	FY09	FY10	FY11	FY12	FY13
LCV	215,912	200,699	287,777	361,846	460,831	524,887
MHCV	274,582	183,495	244,944	323,059	348,701	268,263
<b>Total</b>	<b>490,494</b>	<b>384,194</b>	<b>532,721</b>	<b>684,905</b>	<b>809,532</b>	<b>7,93,150</b>

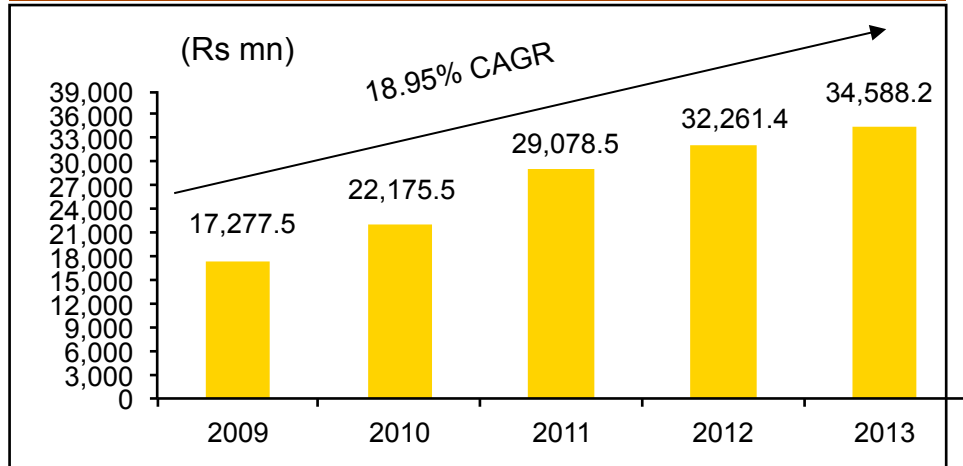
# With a Strong Financial Track Record



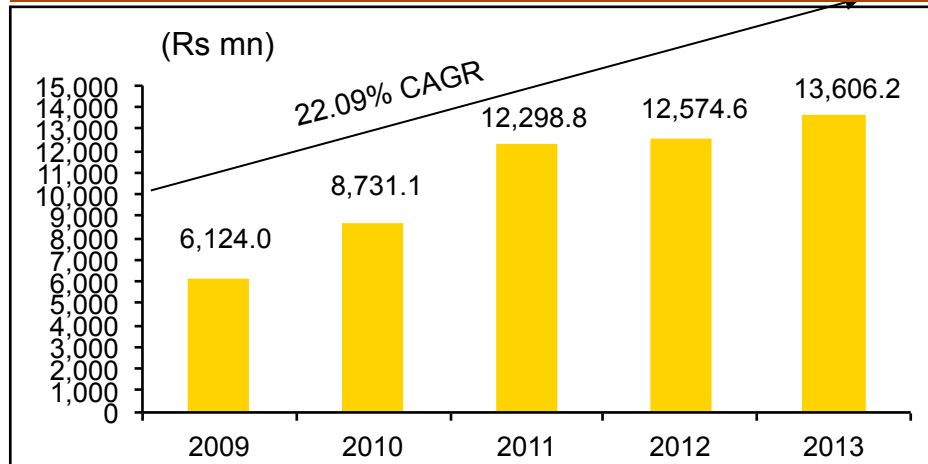
## Total Income



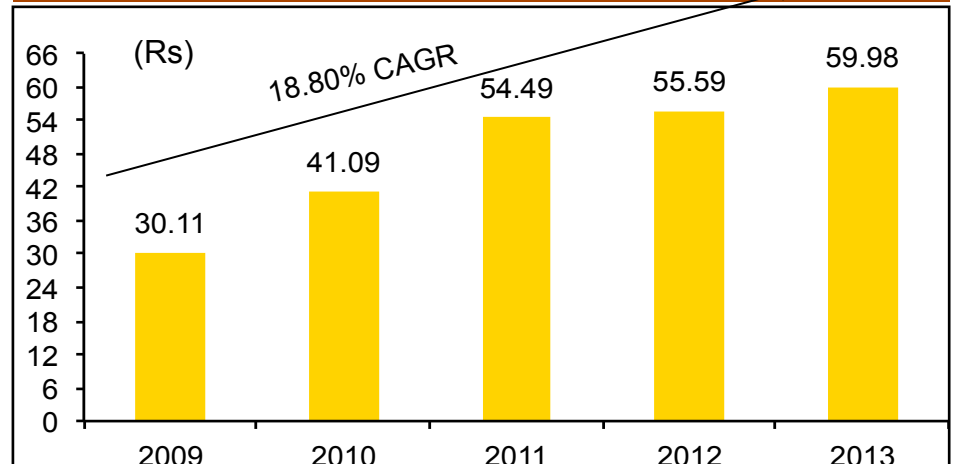
## Net Interest Income



## Net Profit



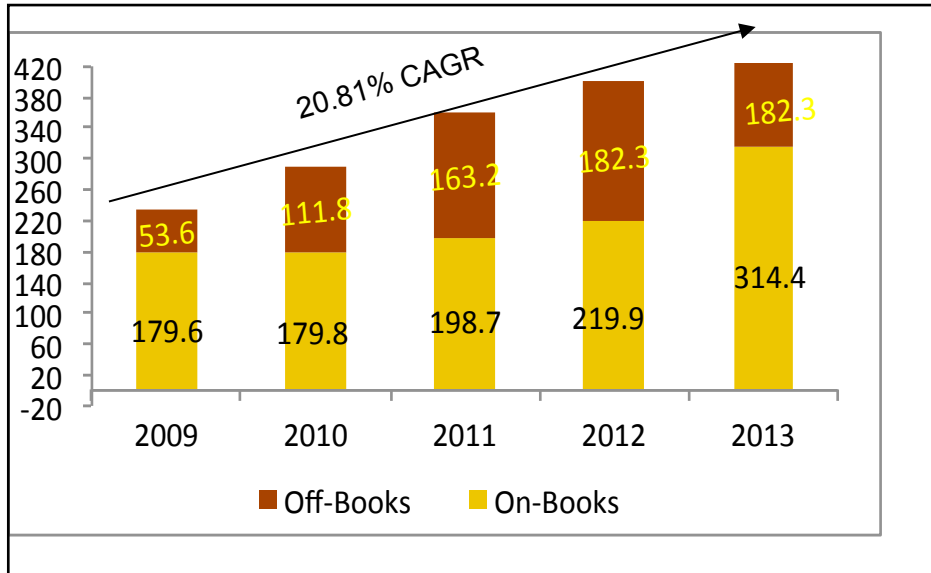
## EPS



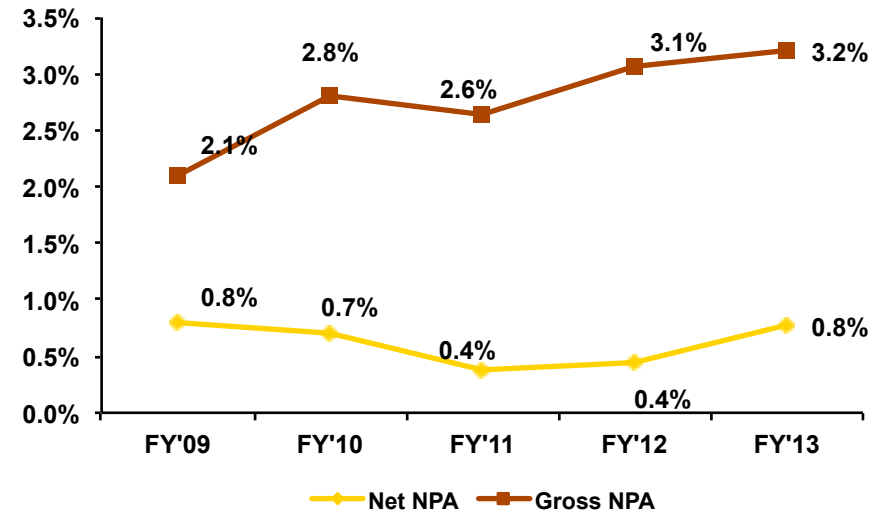
# Driven by Fast Growth in AUM with Low NPAs



## 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

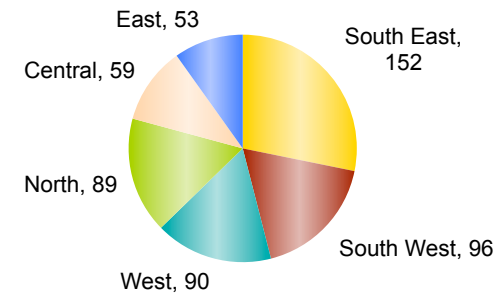


States with STFC Presence

## Pan-India Presence

**539** Branch Offices, **350** Rural Centres  
Tie up with **Over 500** Private Financiers  
**16,178** Employee including **10,057** Field Officers

## Regional Split of Branches



As on March 31, 2013

# 2

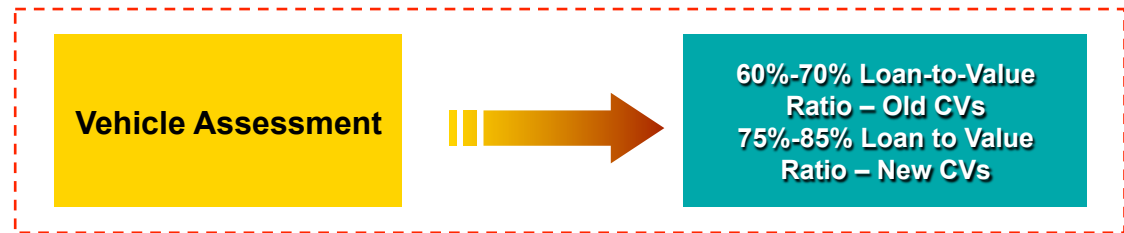
## Valuation Skills & Recovery/Collection Operation: Leveraging on Relationships



### 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

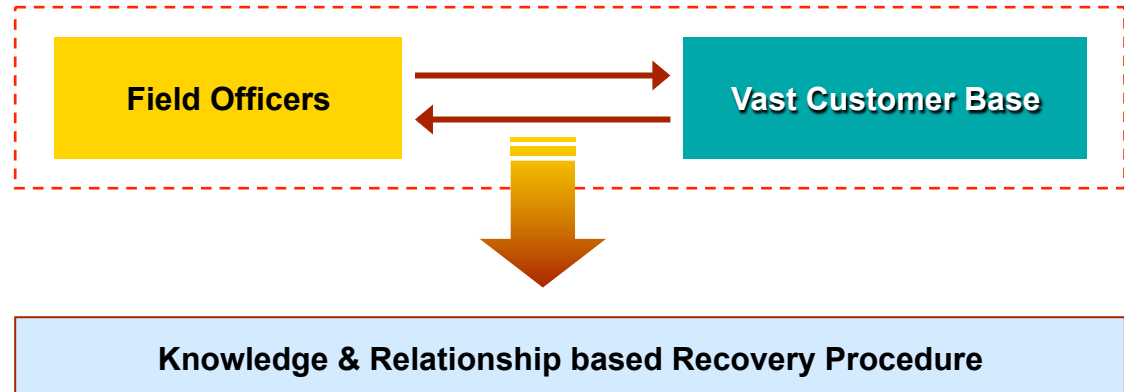
### Knowledge driven valuation model



### 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

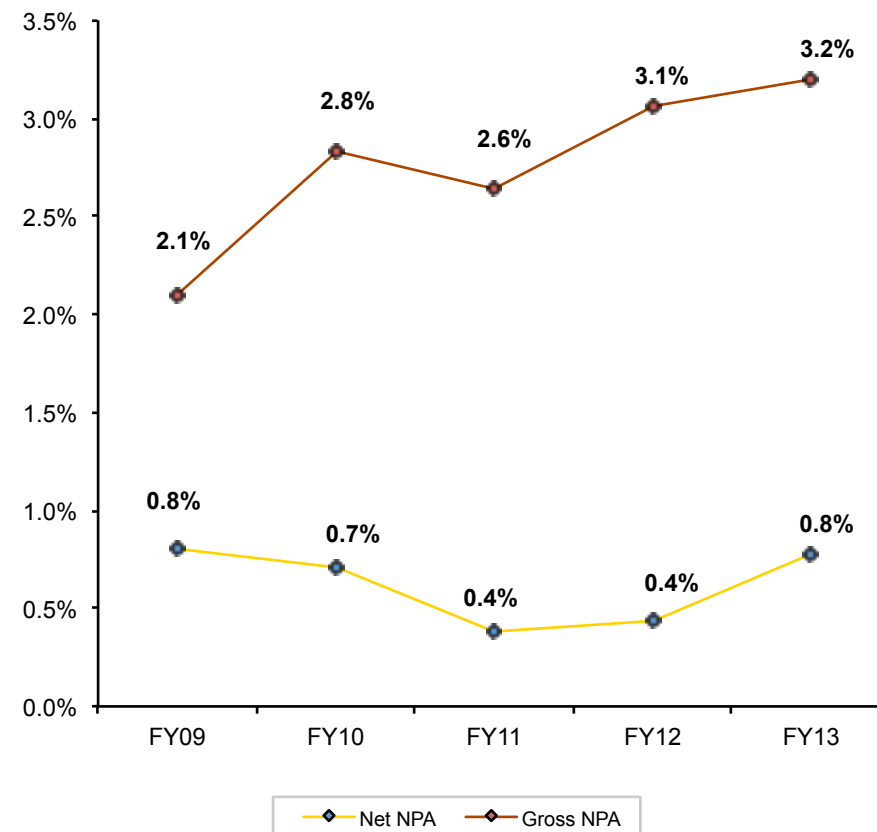
### Reasons for Low Delinquency

- ❑ 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 76% coverage between Gross/Net NPA as on March, 2013**

# 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 March 31, 2013 : 20.58%

Key Shareholders*	Current Shareholding (Mn Shares)	% age
Shriram Capital	58.50	25.79
NewBridge India Investments	22.85	10.07
Genesis Indian Investment Company	13.93	6.14
Ontario Teachers	8.97	3.95
Sanlam Life Insurance	8.45	3.72
Stiching Pensioenfonds ABP	5.83	2.57
Centaura Investments	5.46	2.41
Equinox Partners	3.08	1.36
Vanguard Emerging Market	2.55	1.12
Schroder International	2.50	1.10
Public & Others	94.74	41.77
<b>Total</b>	<b>226.86</b>	<b>100.00</b>

\*As on March 31, 2013

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

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



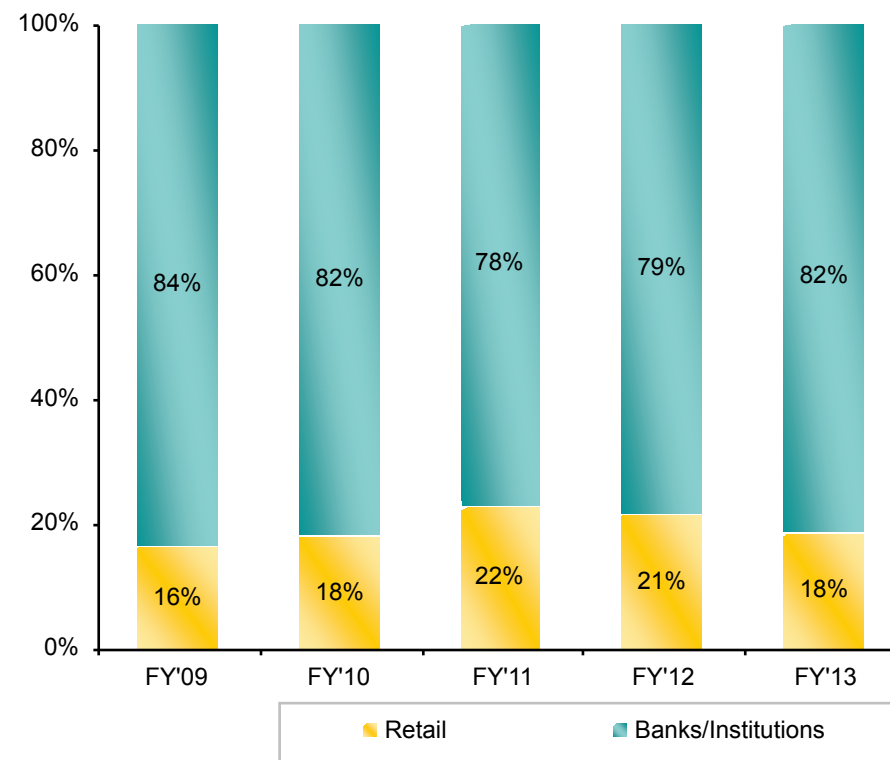
#### Borrowings

- ❑ 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. 182.32 bn at the end of FY13
- ❑ 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 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

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

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

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

- ❑ 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

**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 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

**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.

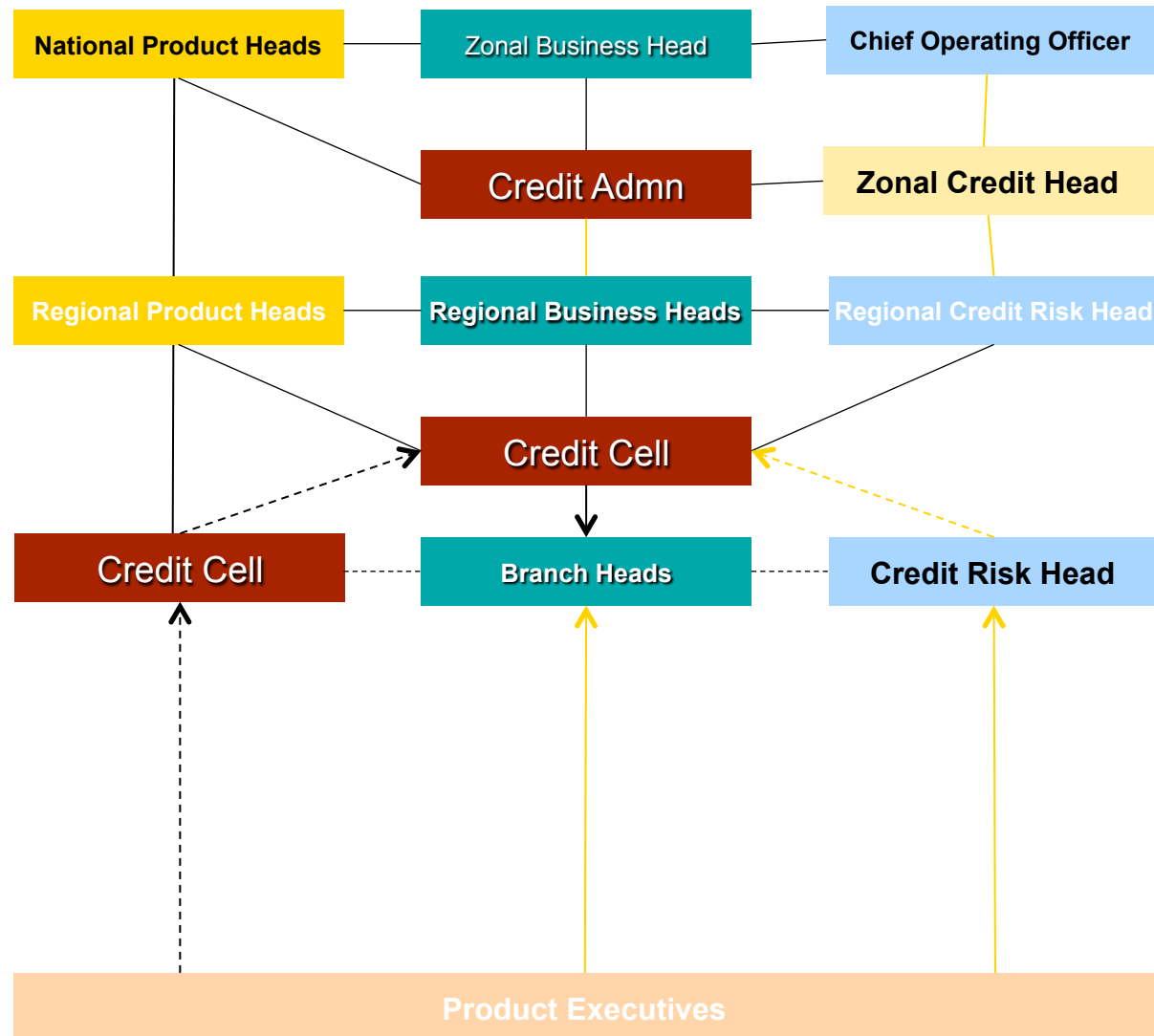
**Ranvir Dewan**  
*Director*

- ❑ 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.

# 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 (539 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, 2013

### Axis Bank co-branded credit cards

- ❑ Tied up with Axis Bank to distribute credit cards to small truck owners
- ❑ Distributed over 3,00,000 credit cards as of March 31, 2013

# 6

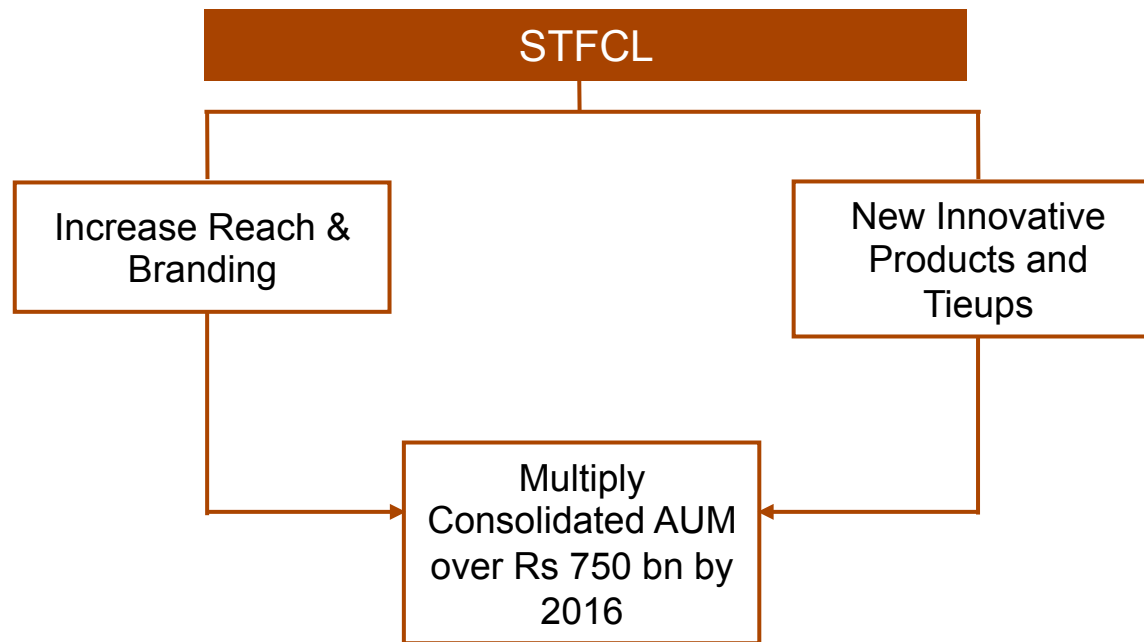
## Strengthening Presence and Expanding Reach (Contd.)



<b>Freight Bill Discounting</b>	<ul style="list-style-type: none"><li>Estimated market size of Rs. 60-70 bn with higher yields than the existing CV financing business.</li></ul>
<b>Passenger Commercial Vehicle Financing</b>	<ul style="list-style-type: none"><li>Estimated market size of Rs. 240 bn for FY13 backed by growth in population and an improving road infrastructure</li></ul>
<b>Tractor Financing</b>	<ul style="list-style-type: none"><li>Market experiencing growth with increasing policy thrust on agricultural mechanization.</li><li>The used tractor financing market is estimated at Rs. 300 bn in FY13</li></ul>
<b>Construction Equipment Financing</b>	<ul style="list-style-type: none"><li>Market expected to reach over Rs. 400 bn in 2013 driven by huge infrastructure spending during the 11<sup>th</sup> 5-Year Plan estimated at approximately Rs. 20 tn</li><li>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</li></ul>
<b>Automall</b>	<ul style="list-style-type: none"><li>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</li><li>Shriram Automall is creating a market for pre-owned trucks in organised and transparent manner and planning to create 50 – 60 such automall</li></ul>

6

Target to reach AUM over Rs 750 bn by FY16



*Well Planed Strategy for Future Growth*

## Over 0.5 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.
- ❑ 21 Automalls in operation.
- ❑ Over 75,000 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 480 branches across the length and breadth of the country.
- ❑ Over 1,25,000 transactions executed.

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



# 03

## RECENT PERFORMANCE



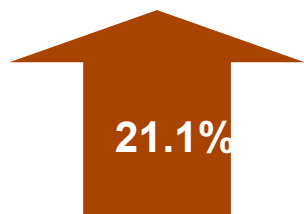


## Sustained Quarterly Growth Trend Continues



### Consolidated Performance Review Q4 FY' 12 Vs. Q4 FY' 13

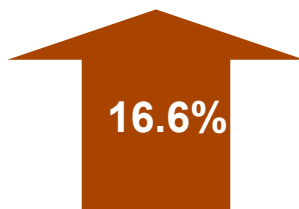
Rs 19,080.5 mn



Rs 15,758.1 mn

**Total Income**

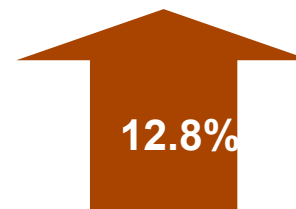
Rs 3,834.6 mn



Rs 3,287.7 mn

**PAT**

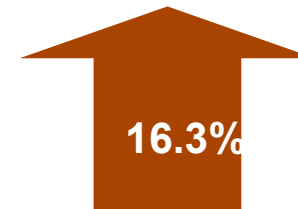
Rs 9,521.0mn



Rs 8,443.4mn

**Net Interest Income\***

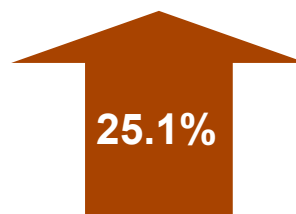
Rs 16.90



Rs 14.53

**EPS**

Rs 527.17 bn



Rs 421.37 bn

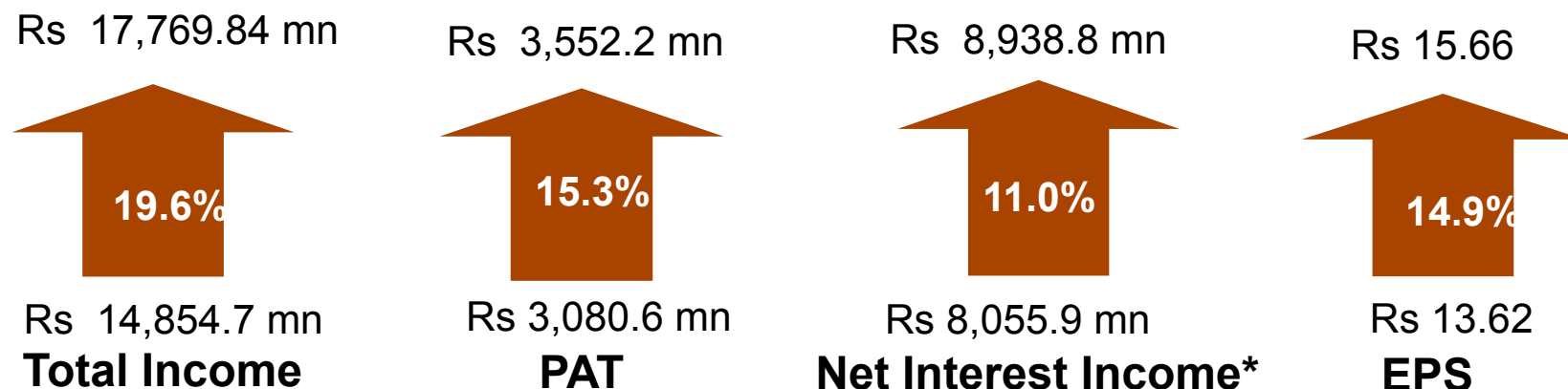
**AUM**

\* including Securitisation Income

## Sustained Quarterly Growth Trend Continues



### Standalone Performance Review Q4 FY' 12 Vs. Q4 FY' 13



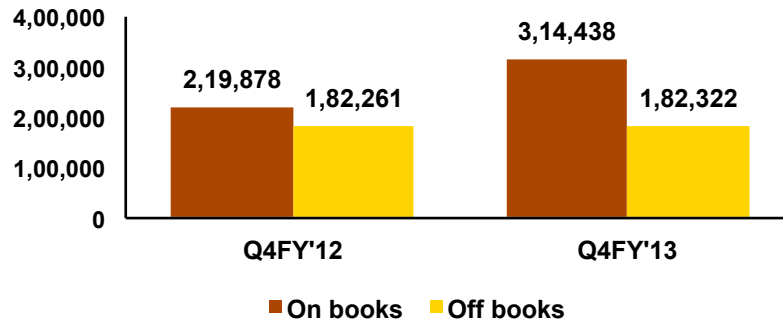
- ➔ **Growth in total income driven by growth across key revenue streams:**
  - ✓ Interest Income up by 43.1% to Rs 13,103.6 mn from Rs 9,158.2 mn
- ➔ **Growing operating profits** by 14.3% to Rs 7,458.9 mn from Rs 6,528.8 mn
- ➔ **Increase in PAT** by 15.3% to Rs 3,552.3 mn from 3,080.6 mn due to decrease in provisioning cost by 19 basis point.
- ➔ **Asset quality** with Gross NPAs & Net NPA stood at 3.20% & 0.77% as against 3.06 & 0.44 and the Net NPA in absolute amount stands at Rs. 2,416.4 mn (Coverage ratio maintained over 76%)
- ➔ Employee Strength Increased by 1,121 taking the total strength to 16,178 from 15,057 including 10,057 field officers

\* including Securitisation Income

## Driven by Growing AUM

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

Rs mn

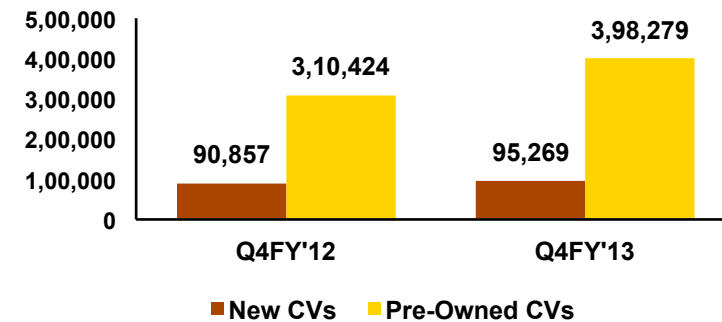


➔ 23.5% growth in total Assets under Management to Rs. 496.76 bn

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

Rs mn

➔ 80.18% of total Assets under Management in pre-owned CV to Rs 398.28 bn

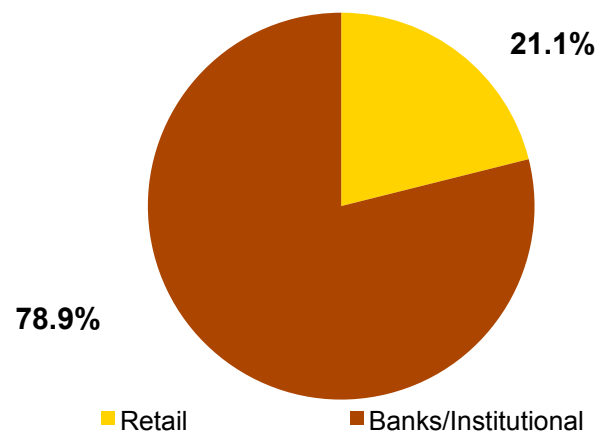


# Supported by a Healthy Borrowing Profile

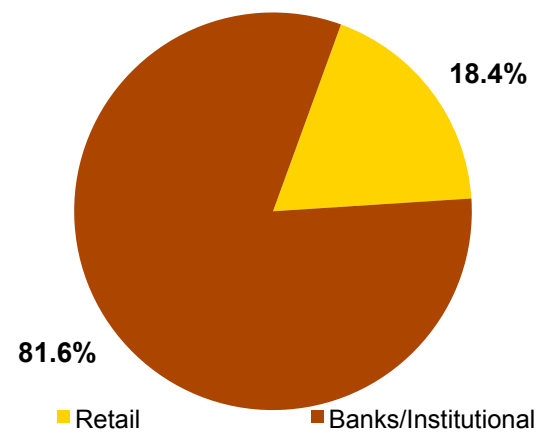


## Borrowing Profile

Q4 FY' 12 – Rs 231.22 bn



Q4 FY' 13 – Rs 310.02 bn





# 04

## INDUSTRY OPPORTUNITY



## Exponential Growth in CV Financing



- CV Financing market size of Rs 1,850 bn
- Shriram targets the largest market segment of pre-owned, accounting for 42% 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

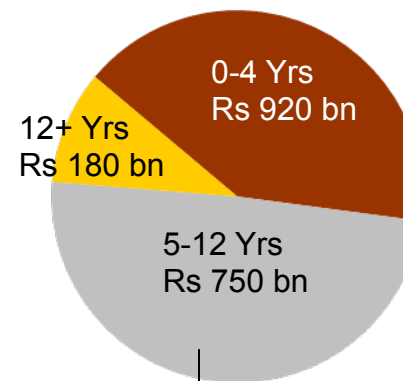
- Legislative pressure on banning trucks beyond 15 years is likely to trigger replacement boom
- Transport associations' introduction of Voluntary Retirement Scheme for old trucks with better financing options
- Financing amount of Rs 1,078bn to be triggered through replacement demand for 1.35mn new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

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

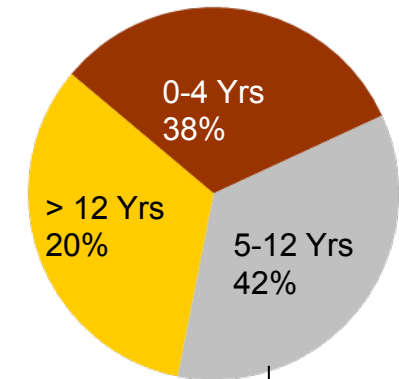
#### Growing freight capacity

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

#### Market Potential



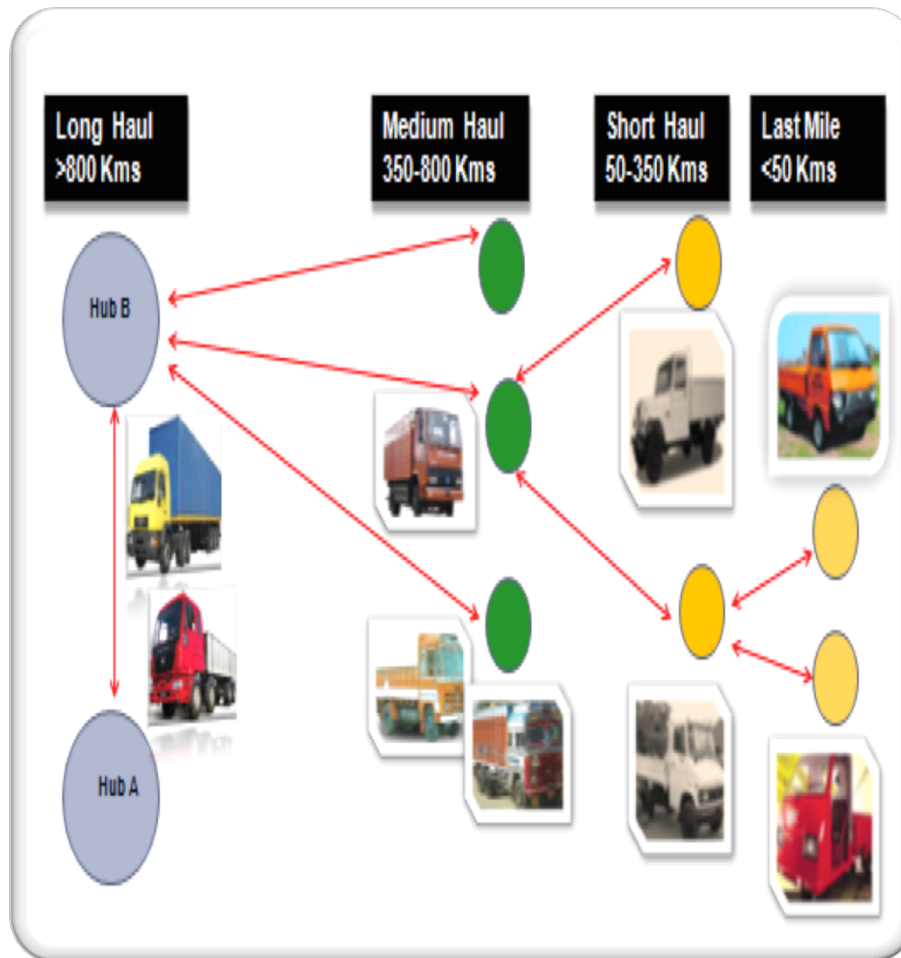
#### Truck Profile (5.2 mn)



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**



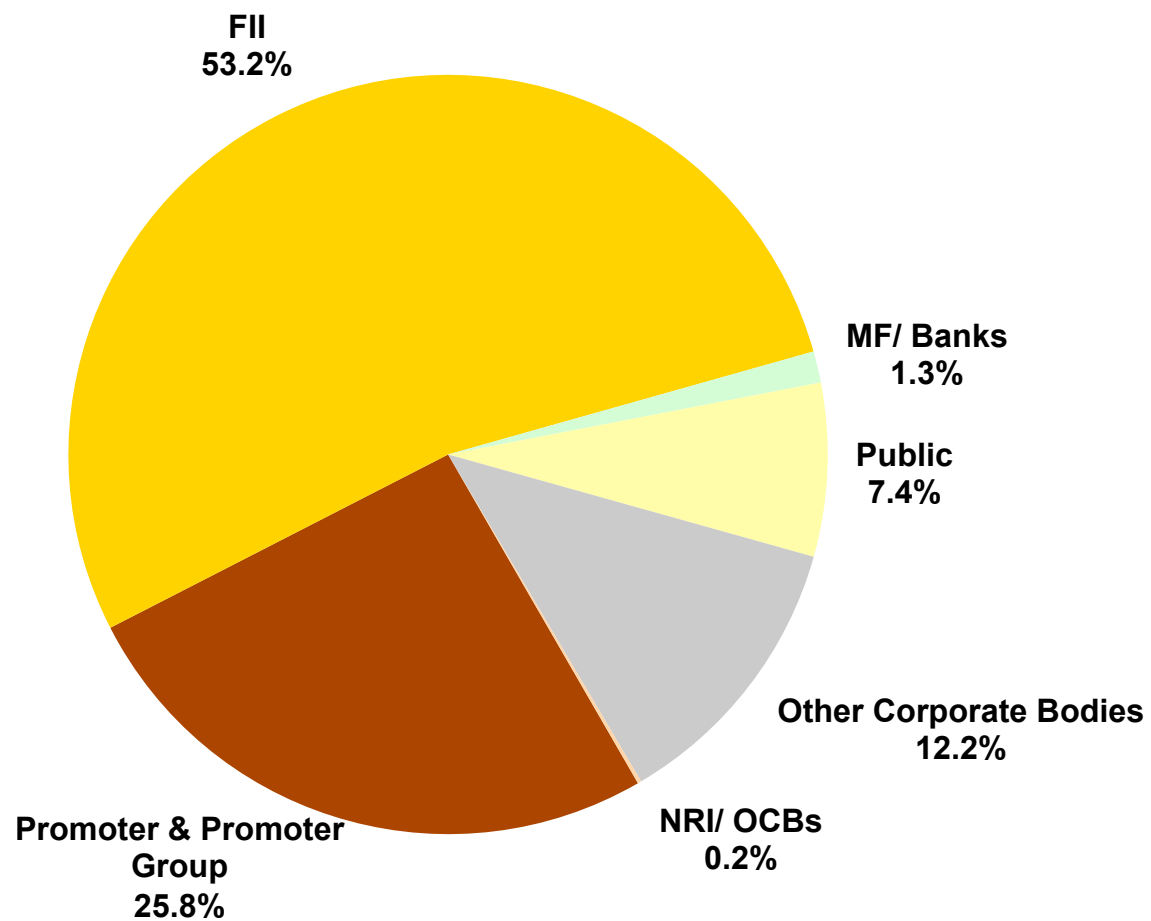
# 05

## ANNEXURES





No. of shares outstanding: 226.86mn



# Profit and Loss Statement



(Rs mn)

Profit & Loss Statement	Q4 FY'12	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13	YoY %	QoQ %	FY'12	FY'13	YoY %
Interest Income	9,158.2	8,875.5	10,945.8	12,045.7	13,103.6	43.08%	8.78%	36,659.4	44,970.5	22.67%
Interest expended	6,258.9	6,173.3	6,858.5	7,350.2	8,057.2	28.73%	9.62%	24,473.3	28,439.4	16.21%
Net Interest Income	2,899.3	2,702.2	4,087.3	4,695.5	5,046.4	74.05%	7.47%	12,186.1	16,531.1	35.66%
Income from Securitisation	5,429.8	5,508.3	4,713.8	4,424.0	4,077.0	-24.91%	-7.84%	20,934.6	18,723.2	-10.56%
Less : Securitisation Expenses	273.1	185.6	123.4	172.5	184.6	-32.42%	7.01%	859.4	666.2	-22.48%
Income from Securitisation (Net)	5,156.6	5,322.7	4,590.4	4,251.5	3,892.4	-24.52%	-8.45%	20,075.2	18,057.1	-10.05%
<b>Net Interest Income including Income from Securitisation</b>	<b>8,055.9</b>	<b>8,024.9</b>	<b>8,677.7</b>	<b>8,947.0</b>	<b>8,938.8</b>	<b>10.96%</b>	<b>-0.09%</b>	<b>32,261.3</b>	<b>34,588.2</b>	<b>7.21%</b>
Other fee based income	-	-	5.5	11.5	12.1	-	4.59%	-	29.1	0.00%
<b>Operating Income</b>	<b>8,055.9</b>	<b>8,024.9</b>	<b>8,683.2</b>	<b>8,958.5</b>	<b>8,950.9</b>	<b>11.11%</b>	<b>-0.09%</b>	<b>32,261.3</b>	<b>34,617.3</b>	<b>7.30%</b>
Operating expenditure	1,782.3	1,940.4	1,872.2	1,998.5	2,049.0	14.96%	2.53%	7,114.1	7,860.1	10.49%
<b>Core Operating Profit (before Provisions &amp; Contingen.)</b>	<b>6,273.6</b>	<b>6,084.5</b>	<b>6,811.0</b>	<b>6,960.0</b>	<b>6,901.9</b>	<b>10.02%</b>	<b>-0.83%</b>	<b>25,147.2</b>	<b>26,757.2</b>	<b>6.40%</b>
Other Income	255.2	702.3	308.2	288.3	557.0	118.27%	93.20%	1,283.7	1,855.9	44.57%
<b>Operating Profit</b>	<b>6,528.8</b>	<b>6,786.8</b>	<b>7,119.2</b>	<b>7,248.3</b>	<b>7,458.9</b>	<b>14.25%</b>	<b>2.90%</b>	<b>26,430.9</b>	<b>28,613.1</b>	<b>8.26%</b>
Provisions for Bad Debts	1,953.4	1,945.7	2,017.5	2,081.3	2,179.1	11.56%	4.70%	7,561.0	8,223.6	8.76%
Provisions against Standard Assets	(35.0)	80.1	88.5	44.8	14.3	-140.78%	-68.16%	60.8	227.6	274.27%
<b>PBT</b>	<b>4,610.4</b>	<b>4,761.0</b>	<b>5,013.2</b>	<b>5,122.2</b>	<b>5,265.5</b>	<b>14.21%</b>	<b>2.80%</b>	<b>18,809.1</b>	<b>20,161.9</b>	<b>7.19%</b>
Tax	1,529.8	1,542.5	1,637.6	1,662.3	1,713.3	12.00%	3.07%	6,234.6	6,555.7	5.15%
<b>PAT</b>	<b>3,080.6</b>	<b>3,218.5</b>	<b>3,375.6</b>	<b>3,459.9</b>	<b>3,552.2</b>	<b>15.31%</b>	<b>2.67%</b>	<b>12,574.5</b>	<b>13,606.2</b>	<b>8.20%</b>
<b>EPS (Rs)</b>	<b>13.62</b>	<b>14.22</b>	<b>14.92</b>	<b>15.25</b>	<b>15.66</b>	<b>14.94%</b>	<b>2.65%</b>	<b>55.59</b>	<b>59.98</b>	<b>7.90%</b>
<b>Total CRAR %*</b>	<b>22.26%</b>	<b>21.31%</b>	<b>20.48%</b>	<b>19.16%</b>	<b>20.58%</b>	<b>-7.55%</b>	<b>7.41%</b>	<b>22.26%</b>	<b>20.58%</b>	<b>-7.55%</b>
<b>Book Value (Rs)</b>	<b>263.05</b>	<b>277.45</b>	<b>291.93</b>	<b>304.48</b>	<b>315.58</b>	<b>19.97%</b>	<b>3.65%</b>	<b>263.05</b>	<b>315.58</b>	<b>19.97%</b>

Key Ratios (%)	Q4 FY'12	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13	YoY %	QoQ %	FY'12	FY'13	YoY %
Return on Avg. Net Worth	20.92%	20.92%	20.83%	20.36%	20.10%	-3.93%	-1.28%	22.82%	20.53%	-10.01%
Return on Avg. Assets	3.53%	3.72%	3.86%	3.58%	3.34%	-5.38%	-6.70%	3.75%	3.61%	-3.73%
Interest Coverage Ratio	2.37	2.44	2.33	2.28	2.20	-7.11%	-3.44%	2.41	2.31	-4.15%

# Balance Sheet



(Rs mn)

Balance Sheet	Q4 FY'12	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13	YoY %	QoQ %	FY'12	FY'13	YoY %
<b>Liabilities</b>										
Shareholder funds										
Equity Capital	2,263.2	2,263.2	2,263.8	2,268.8	2,268.9	0.25%	0.00%	2,263.2	2,268.9	0.25%
Reserves	57,659.9	60,876.6	64,246.2	67,187.6	69,678.5	20.84%	3.71%	57,659.9	69,678.5	20.84%
Loans										
Secured	1,78,057.1	1,59,858.4	1,67,029.6	2,11,860.2	2,38,684.1	34.05%	12.66%	1,78,057.1	2,38,684.1	34.05%
Unsecured	53,161.4	52,933.3	70,847.4	69,749.7	71,340.6	34.20%	2.28%	53,161.4	71,340.6	34.20%
Current Liabilities	66,051.4	62,607.3	61,548.0	77,023.6	65,808.9	-0.37%	-14.56%	66,051.4	65,808.9	-0.37%
<b>Total</b>	<b>3,57,193.0</b>	<b>3,38,538.8</b>	<b>3,65,935.0</b>	<b>4,28,089.9</b>	<b>4,47,781.0</b>	<b>25.36%</b>	<b>4.60%</b>	<b>3,57,193.0</b>	<b>4,47,781.0</b>	<b>25.36%</b>
<b>Assets</b>										
Fixed Assets	397.3	426.7	499.9	547.0	600.5	51.15%	9.79%	397.3	600.5	51.15%
Loans & Advances	1,622.3	3,724.5	1,174.6	3,020.0	3,957.4	143.93%	31.04%	1,622.3	3,957.4	143.93%
Cash & Bank balances	53,808.7	33,333.4	31,748.5	41,170.9	64,615.0	20.08%	56.94%	53,808.7	64,615.0	20.08%
Investments	39,646.4	12,593.3	9,654.7	46,343.5	35,689.1	-9.98%	-22.99%	39,646.4	35,689.1	-9.98%
Truck receivables	2,19,019.0	2,53,431.4	2,93,246.5	3,08,494.2	3,11,226.6	42.10%	0.89%	2,19,019.0	3,11,226.6	42.10%
Deferred Tax Asset	2,166.7	2,319.1	2,569.9	2,784.8	2,838.3	30.99%	1.92%	2,166.7	2,838.3	30.99%
Current Assets	40,532.5	32,710.4	27,040.9	25,729.5	28,854.1	-28.81%	12.14%	40,532.5	28,854.1	-28.81%
<b>Total</b>	<b>3,57,193.0</b>	<b>3,38,538.8</b>	<b>3,65,935.0</b>	<b>4,28,089.9</b>	<b>4,47,781.0</b>	<b>25.36%</b>	<b>4.60%</b>	<b>3,57,193.0</b>	<b>4,47,781.0</b>	<b>25.36%</b>

Spread Analysis	Q4 FY'12	Q1 FY'13	Q2 FY'13	Q3 FY'13	Q4 FY'13			FY'12	FY'13	
Total Income/ Avg. total assets	16.99%	17.45%	18.27%	17.37%	16.70%			17.57%	17.41%	
Interest cost/ Avg. total assets	7.22%	7.14%	7.85%	7.62%	7.58%			7.39%	7.55%	
<b>Gross Spread</b>	<b>9.77%</b>	<b>10.31%</b>	<b>10.42%</b>	<b>9.75%</b>	<b>9.12%</b>			<b>10.18%</b>	<b>9.86%</b>	
NPA provisioning/ Avg. total assets	2.24%	2.25%	2.31%	2.16%	2.05%			2.26%	2.18%	
Provisioning for standard assets/ Avg. total assets	-0.04%	0.09%	0.10%	0.05%	0.01%			0.02%	0.06%	
Overhead Cost/ Avg. total assets	2.30%	2.46%	2.28%	2.25%	2.10%			2.29%	2.26%	
<b>Net Spread</b>	<b>5.27%</b>	<b>5.51%</b>	<b>5.73%</b>	<b>5.29%</b>	<b>4.96%</b>			<b>5.61%</b>	<b>5.35%</b>	

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

Particulars		Q4	Q1	Q2	Q3	Q4	%	%	Year ended	Year ended	%
		FY 2011 12	FY 2012 13	FY 2012 13	FY 2012 13	FY 2012 13	YoY	QoQ	FY 2012	FY 2013	YoY
Interest Income	mn	9,158.2	8,875.5	10,945.7	12,045.7	13,103.6	43.08%	8.78%	36,659.4	44,970.5	22.67%
Securitisation Income	mn	5,156.6	5,322.7	4,590.5	4,251.5	3,892.4	-24.52%	-8.45%	20,075.2	18,057.1	-10.05%
Total Interest Income	mn	14,314.8	14,198.2	15,536.2	16,297.2	16,996.0	18.73%	4.29%	56,734.6	63,027.6	11.09%
Less : Interest Expenses	mn	6,258.9	6,173.3	6,858.5	7,350.2	8,057.2	28.73%	9.62%	24,473.3	28,439.4	16.21%
Net Interest Income	mn	8,055.9	8,024.9	8,677.7	8,947.0	8,938.8	10.96%	-0.09%	32,261.3	34,588.2	7.21%
Other Income	mn	255.2	702.3	313.7	299.8	569.1	123.00%	89.83%	1,283.7	1,885.0	46.84%
Operating Income	mn	8,311.1	8,727.2	8,991.4	9,246.8	9,507.9	14.40%	2.82%	33,545.0	36,473.2	8.73%
Profit after Tax	mn	3,080.6	3,218.5	3,375.6	3,459.9	3,552.2	15.31%	2.67%	12,574.5	13,606.2	8.20%
Cost to Income Ratio	%	21.13	21.87	20.43	20.30	20.98	-0.71%	3.35%	20.66	20.89	1.11%
EPS	Rs.	13.62	14.22	14.92	15.25	15.66	14.98%	2.69%	55.59	59.98	7.90%
ROA	%	3.53	3.72	3.86	3.58	3.34	-5.38%	-6.70%	3.75	3.61	-3.73%
ROE	%	20.92	20.92	20.83	20.36	20.10	-3.92%	-1.28%	22.82	20.53	-10.01%
NIM (on AUM)	%	7.24	7.42	7.67	7.52	7.23	-0.14%	-3.86%	7.51	7.46	-0.67%

## Details of Key Parameters (Balance Sheet)

Particulars		Q4	Q1	Q2	Q3	Q4	%	%	Year ended	Year ended	%
		FY 2011 12	FY 2012 13	FY 2012 13	FY 2012 13	FY 2012 13	YoY	QoQ	FY 2012	FY 2013	YoY
<b>Asset under Management</b>											
- On Books	mn	2,19,877.6	2,56,401.8	2,93,713.1	3,10,846.9	3,14,438.3	43.01%	1.16%	2,19,877.6	3,14,438.3	43.01%
- Off Books	mn	1,82,261.4	1,62,822.3	1,47,137.0	1,54,599.1	1,82,321.8	0.03%	17.93%	1,82,261.4	1,82,321.8	0.03%
<b>Total AUM</b>	<b>mn</b>	<b>4,02,139.0</b>	<b>4,19,224.1</b>	<b>4,40,850.1</b>	<b>4,65,446.0</b>	<b>4,96,760.1</b>	<b>23.53%</b>	<b>6.73%</b>	<b>4,02,139.0</b>	<b>4,96,760.1</b>	<b>23.53%</b>
Securitisation done	mn	43,456.0	-	3,875.0	30,395.0	53,573.0	23.28%	76.26%	83,461.0	87,843.0	5.25%
Gross NPA	%	3.06	3.00	2.89	2.89	3.20	4.58%	10.73%	3.06	3.20	4.58%
Net NPA	%	0.44	0.62	0.61	0.63	0.77	75.00%	22.22%	0.44	0.77	75.00%
Gross NPA	mn	6,937.9	7,775.6	8,553.4	9,086.5	10,253.7	47.79%	12.85%	6,937.9	10,253.7	47.79%
Net NPA	mn	977.3	1,576.0	1,753.8	1,921.1	2,416.4	147.25%	25.78%	977.3	2,416.4	147.25%
Coverage Ratio	%	85.91	79.73	79.50	78.86	76.43	-11.03%	-3.08%	85.91	76.43	-11.03%
CRAR	%	22.26	21.31	20.48	19.16	20.58	-7.55%	7.41%	22.26	20.58	-7.55%
Book Value	Rs.	263.05	277.45	291.93	304.48	315.58	19.97%	3.65%	263.05	315.58	19.97%

### 1. Shriram Equipment Finance Company Limited.

Assets under Finance - Rs. 30,411.7 mn in FY 13 (Rs. 19,233.7 mn in FY 12)

PAT – Rs. 893.3 mn in FY 13 (Rs. 516.2 mn in FY 12)

### 2. Shriram Automall India Limited.

- ONE STOP - Launched in more than 480 branches.
- AUTOMALL – 21 Automall in operation.

### 3. Fees Income earned Rs. 741.25 mn in FY 13 (478.2 mn in FY 12)

## Subsidiary - Shriram Equipment Finance Company Limited

### Profit and Loss Statement



(Rs mn)

Particulars	Q4 FY12	Q1 FY 13	Q2 FY 13	Q3 FY 13	Q4 FY 13	FY 12	FY 13
<b>Income</b>							
Revenue from operations	725.35	835.06	957.20	1,069.10	1,186.32	2,101.01	4,047.68
Other income	0.01	0.00	0.01	0.01	2.59	0.13	2.62
<b>Total</b>	<b>725.36</b>	<b>835.06</b>	<b>957.21</b>	<b>1,069.11</b>	<b>1,188.91</b>	<b>2,101.14</b>	<b>4,050.30</b>
<b>Expenditure</b>							
Employee benefit expenses	57.96	62.28	64.80	65.04	76.51	172.18	268.64
Finance cost	337.86	422.52	498.87	532.02	604.11	962.57	2057.51
Depreciation and amortisation	1.21	1.62	1.37	1.64	1.51	4.94	6.15
Other expenses	32.70	39.54	43.57	48.24	51.81	117.10	183.16
Provisions & write offs	41.65	48.09	21.55	32.68	110.15	74.35	212.48
<b>Total</b>	<b>471.38</b>	<b>574.05</b>	<b>630.16</b>	<b>679.62</b>	<b>844.09</b>	<b>1,331.14</b>	<b>2727.94</b>
<b>Profit before taxation</b>	<b>253.98</b>	<b>261.01</b>	<b>327.05</b>	<b>389.49</b>	<b>344.82</b>	<b>770.00</b>	<b>1,322.36</b>
<b>Provision for taxation</b>							
Current tax	85.81	87.14	108.35	129.38	114.91	264.84	439.78
Deferred tax	(3.38)	(2.47)	(2.24)	(3.03)	(3.00)	(11.06)	(10.74)
<b>Total tax expense / (income)</b>	<b>82.43</b>	<b>84.67</b>	<b>106.11</b>	<b>126.35</b>	<b>111.91</b>	<b>253.78</b>	<b>429.04</b>
<b>Profit after tax from continuing operations</b>	<b>171.55</b>	<b>176.34</b>	<b>220.94</b>	<b>263.14</b>	<b>232.91</b>	<b>516.22</b>	<b>893.32</b>
<b>Earnings per share</b>							
Basic (Rs.)	17.15	17.63	22.09	26.31	23.28	51.59	89.30
Nominal value of equity share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00

# Subsidiary - Shriram Equipment Finance Company Limited

## Balance Sheet



(Rs mn)

Particulars	Q1 FY 13	Q2 FY 13	Q3 FY 13	FY 12	FY 13
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00
(b) Reserves and surplus	703.56	924.50	1,187.64	527.21	1,420.24
<b>(2) Non-Current Liabilities</b>					
(a) Long-term borrowings	5,114.33	11,763.43	5,788.02	8,806.33	9,903.26
(b) Other long term liabilities	19.94	68.96	533.69	11.83	61.56
(c) Long term provisions	112.67	129.27	155.27	67.53	232.74
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	7,809.01	4,437.76	7,976.60	4,359.02	4,566.89
(b) Trade payables	841.16	899.51	1,073.32	1,250.80	1,679.20
(c) Other current liabilities	4,299.25	3,192.92	8,152.75	1,722.13	10,192.70
(d) Short-term provisions	31.76	48.35	53.05	40.03	57.94
<b>Total</b>	<b>21,531.68</b>	<b>24,064.70</b>	<b>27,520.34</b>	<b>19,384.88</b>	<b>30,714.53</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	6.20	6.33	7.47	6.35	7.48
(ii) Intangible assets	4.82	3.85	3.64	5.78	2.62
(b) Deferred tax assets (net)	18.73	20.97	24.00	16.26	27.00
(c) Long term loans and advances	12,952.47	13,876.94	15,672.23	12,045.30	17,578.48
<b>(2) Current assets</b>	-	-	-	-	-
(a) Cash and bank balances	65.26	86.86	111.97	84.91	156.00
(b) Short-term loans and advances	8,483.78	10,068.63	11,699.70	7,226.28	12,942.82
(c) Other current assets	0.42	1.12	1.33	-	0.13
<b>Total</b>	<b>21,531.68</b>	<b>24,064.70</b>	<b>27,520.34</b>	<b>19,384.88</b>	<b>30,714.53</b>



## Subsidiary - Shriram Equipment Finance Company Limited Details of Key Parameters (Profit & Loss Account)



Particulars		Q4	Q1	Q2	Q3	Q4	%	%	Year ended	Year ended	%
		FY 2011 12	FY 2012 13	FY 2012 13	FY 2012 13	FY 2012 13	YoY	QoQ	FY 2012	FY 2013	YoY
Interest Income	mn	725.4	835.1	957.2	1,069.1	1,186.3	63.54%	10.96%	2,101.0	4,047.7	92.66%
Less : Interest Expenses	mn	337.9	422.5	498.9	532.0	604.1	78.78%	13.55%	962.6	2,057.5	113.74%
Net Interest Income	mn	387.5	412.6	458.3	537.1	582.2	50.25%	8.40%	1,138.4	1,990.2	74.82%
Other Income	mn	0.1	-	-	-	2.6	2500.00%	-	0.1	2.6	2500.00%
Operating Income	mn	387.6	412.6	458.3	537.1	584.8	50.88%	8.88%	1,138.5	1,992.8	75.04%
Profit after Tax	mn	171.6	176.3	220.9	263.1	232.9	35.72%	-11.48%	516.2	893.3	73.05%
Cost to Income Ratio	%	23.70	25.07	23.94	21.40	22.20	-6.33%	3.74%	25.84	22.98	-11.07%
EPS	Rs.	17.15	17.63	22.09	26.31	23.28	35.74%	-11.52%	51.59	89.30	73.10%
ROA	%	3.97	3.44	3.87	4.09	3.21	-19.14%	-21.52%	3.91	3.64	-6.91%
ROE	%	22.57	21.94	25.89	28.79	23.86	5.72%	-17.12%	19.08	25.18	31.97%

## Subsidiary - Shriram Equipment Finance Company Limited

### Details of Key Parameters (Balance Sheet)



Particulars		Q4	Q1	Q2	Q3	Q4	%	%	Year ended	Year ended	%
		FY 2011 12	FY 2012 13	FY 2012 13	FY 2012 13	FY 2012 13	YoY	QoQ	FY 2012	FY 2013	YoY
Asset under Management	mn	19,233.7	21,418.4	23,808.9	27,253.0	30,411.7	58.12%	11.59%	19,233.7	30,411.7	58.12%
Gross NPA	%	0.26	0.54	0.53	0.59	1.38	430.77%	133.90%	0.26	1.38	430.77%
Net NPA	%	0.08	0.18	0.14	0.18	0.78	875.00%	333.33%	0.08	0.78	875.00%
Gross NPA	mn	50.60	115.40	126.10	160.60	419.90	729.84%	161.46%	50.60	419.90	729.84%
Net NPA	mn	15.40	37.80	34.10	47.50	234.10	1420.13%	392.84%	15.40	234.10	1420.13%
Coverage Ratio	%	69.57	67.24	72.96	70.42	44.22	-36.44%	-37.21%	69.57	44.22	-36.44%
CRAR	%	21.16	19.85	18.75	17.44	17.89	-15.45%	2.58%	21.16	17.89	-15.45%
Book Value	Rs.	62.75	80.36	102.45	128.76	152.05	142.31%	18.09%	62.75	152.05	142.31%

## Subsidiary - Shriram Automall India Limited

### Profit and Loss Statement



(Rs mn)

Particulars	Q4 FY 12	Q1 FY 13	Q2 FY 13	Q3 FY 13	Q4 FY 13	FY 13	FY 12
<b>Income</b>							
Revenue from operations	264.45	187.54	181.75	184.19	196.19	749.67	1,072.88
Other income	0.03	0.04	0.32	0.39	3.13	3.88	0.08
<b>Total</b>	<b>264.48</b>	<b>187.58</b>	<b>182.07</b>	<b>184.58</b>	<b>199.32</b>	<b>753.55</b>	<b>1,072.96</b>
<b>Expenditure</b>							
Purchase of used commercial vehicles	32.27	-	-	-	-	-	444.36
Vehicle Refurbishment expenses	2.18	0.24	-	-	-	0.24	20.22
Adjustment due to decrease/(increase) in stock	51.85	9.29	-	-	0.32	9.61	119.75
Employees Benefit expense	57.76	75.72	60.81	66.09	77.82	280.44	206.52
Finance cost	1.54	0.00	0.01	0.00	0.42	0.42	20.91
Depreciation and amortisation	15.27	9.33	9.47	9.56	9.31	37.67	34.17
Other expenses	69.88	65.83	74.31	69.73	72.72	282.60	230.86
<b>Total</b>	<b>230.75</b>	<b>160.41</b>	<b>144.60</b>	<b>145.38</b>	<b>160.59</b>	<b>610.98</b>	<b>1,076.79</b>
<b>Profit/(Loss) before taxation</b>	33.73	27.17	37.47	39.20	38.73	142.57	(3.83)
<b>Provision for taxation</b>							
Current tax	-	4.30	7.50	7.84	7.75	27.39	-
Less: MAT credit entitlement	-	-	-	-	(18.83)	(18.83)	-
Deferred tax liability / (Asset)	(0.78)	(3.08)	(0.20)	(0.36)	(1.95)	(5.59)	(0.78)
<b>Total tax expense / (income)</b>	<b>(0.78)</b>	<b>1.22</b>	<b>7.30</b>	<b>7.48</b>	<b>(13.03)</b>	<b>2.97</b>	<b>(0.78)</b>
<b>Profit/(Loss) after tax from continuing operations</b>	34.51	25.95	30.17	31.72	51.76	139.60	(3.05)
Earnings/(Loss) per share Basic & Diluted (Rs.)	1.70	0.87	1.00	1.06	1.72	4.65	(0.17)
Nominal Value of Share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00

# Subsidiary - Shriram Automall India Limited

## Balance Sheet



(Rs mn)

	Q1 FY 13	Q2 FY 13	Q3 FY 13	FY 12	FY 13
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share capital	300.00	300.00	300.00	300.00	300.00
(b) Reserves and Surplus	(116.29)	(86.11)	(54.39)	(142.25)	(2.65)
<b>(2) Non-Current Liabilities</b>					
(a) Long term provisions	9.99	10.77	10.88	6.76	11.61
<b>(3) Current Liabilities</b>					
(a) Short-term borrowings	-	19.28	-	49.32	31.90
(b) Trade payables	106.66	80.02	106.33	39.63	134.70
(c) Other current liabilities	16.58	17.80	23.15	15.43	13.09
(d) Short-term provisions	13.88	12.35	13.99	5.71	10.23
<b>Total</b>	<b>330.82</b>	<b>354.11</b>	<b>399.96</b>	<b>274.60</b>	<b>498.88</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets					
(i) Tangible assets	125.66	119.16	112.90	131.95	102.03
(ii) Intangible assets	13.98	12.50	11.01	15.45	9.56
(iii) Capital work-in-progress	-	-	-	-	0.41
(b) Deferred tax assets (net)	3.47	3.66	4.03	0.39	5.97
(c) Long term loans and advances	46.83	42.03	40.95	49.23	67.64
(d) Other assets	0.11	0.11	0.11	0.16	0.12
<b>(2) Current assets</b>					
(a) Inventories	0.28	0.28	0.28	9.29	-
(b) Trade receivables	0.98	0.97	1.24	2.58	0.05
(c) Cash and bank balances	8.93	145.34	106.27	52.24	167.98
(d) Short-term loans and advances	130.52	30.05	123.16	13.31	145.11
(e) Other assets	0.06	0.01	0.01	-	0.01
<b>Total</b>	<b>330.82</b>	<b>354.11</b>	<b>399.96</b>	<b>274.60</b>	<b>498.88</b>

**For any Investor Relations  
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### **About Shriram Transport Finance Co. Ltd.**

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of Rs 496.76 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 539 branches, and employs 16,178 employees including 10,057 field officers. The company has built a strong customer base of over 0.95 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**