



SHRIRAM TRANSPORT FINANCE COMPANY LTD

SEPTEMBER, 2014

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- 02** Business Analysis
- 03** Recent Performance
- 04** Industry Opportunity
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01

COMPANY SNAPSHOT



Market Leader in High-Yield Pre-Owned CV Financing

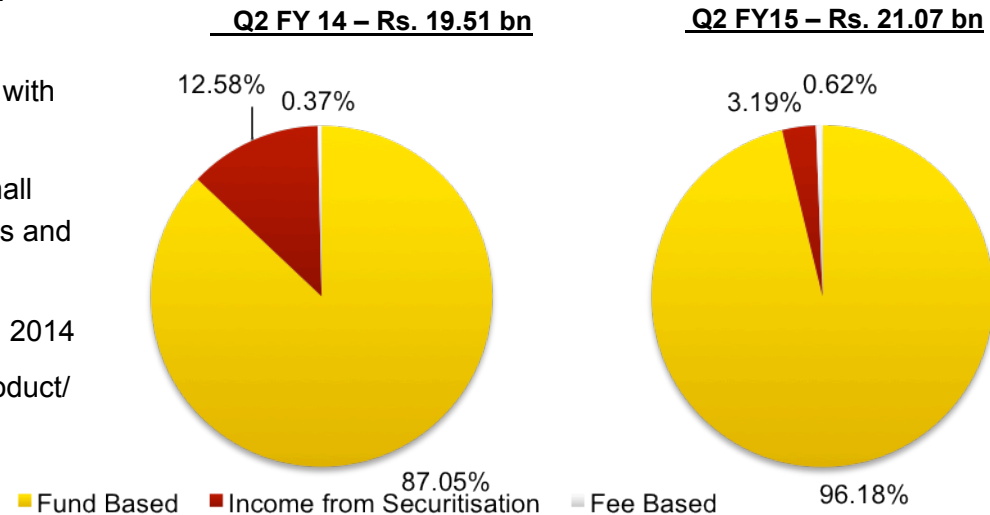


- ❑ **Shriram Transport Finance Company Limited (STFC) is one of the largest asset financing NBFC** with approximately 25% market share in pre-owned and approximately 2-3% market share in new truck financing
- ❑ **Strategically present in high yield - pre-owned CV financing** with expertise in loan origination, 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 September 30, 2014
- ❑ **Employee strength** of approximately 16,410 including 9,681 product/credit executives as of September 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.

Large Assets Under Management (as on September 30, 2014)

- ❑ Total Assets Under Management (AUM)
 - Pre-Owned CV: Approximately Rs. 496.60 bn
 - New CV: Approximately Rs. 52.23 bn
 - Others: Approximately Rs. 6.64 bn

Operating Revenue Break Up



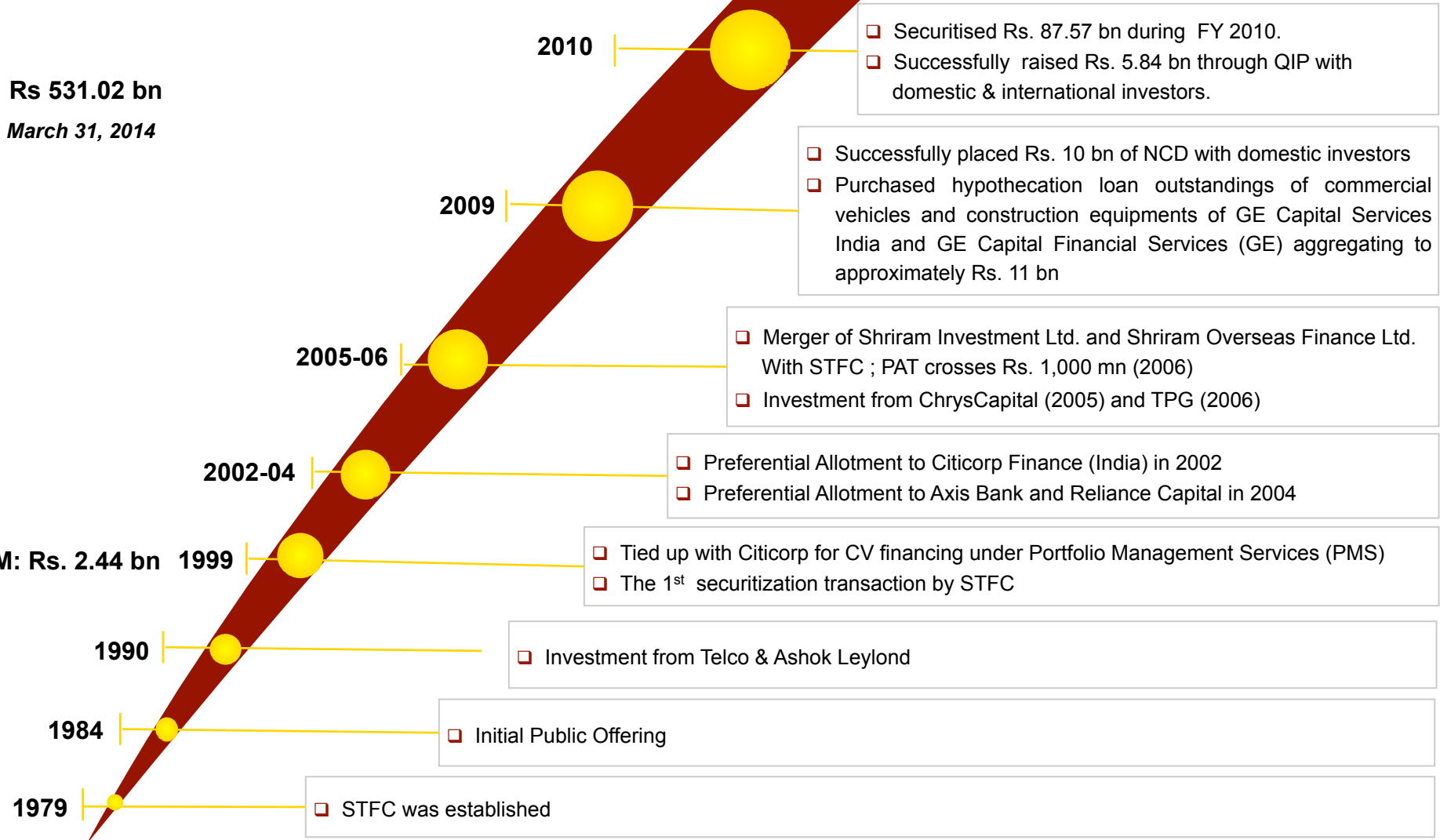
Extensive Distribution Network

- ❑ Pan-India presence through a network of
 - 700 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

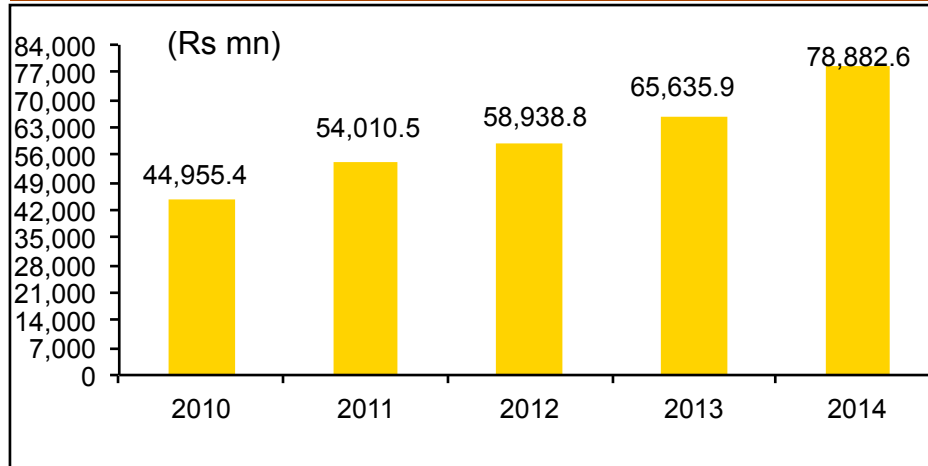
Vehicles sold during FY08-14

	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
Total	384,194	532,721	684,905	809,532	7,93,150	632,738

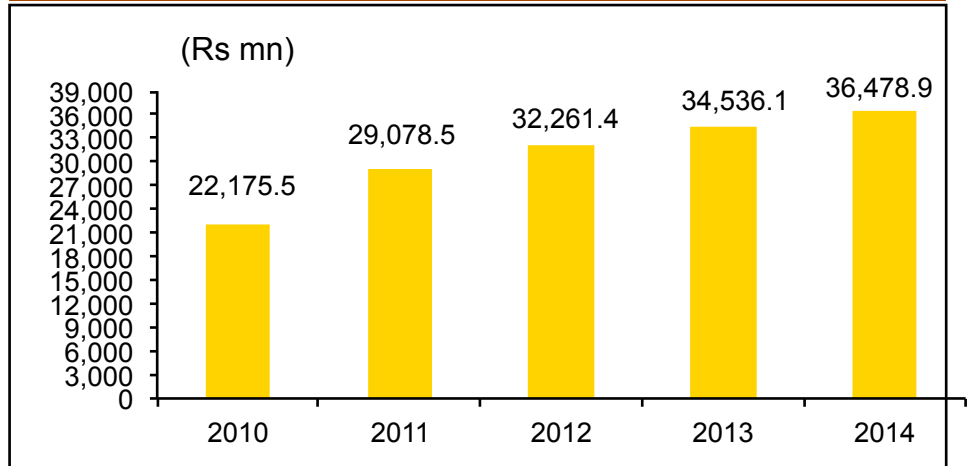
With a Strong Financial Track Record



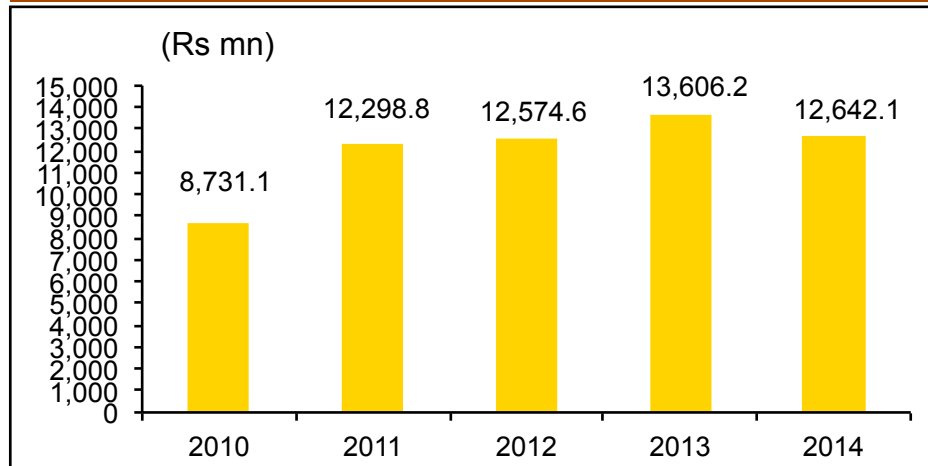
Total Income



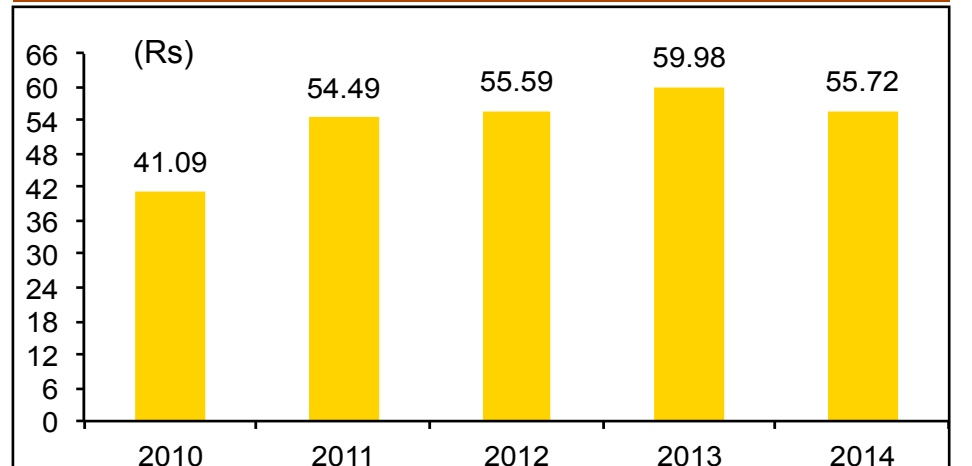
Net Interest Income



Net Profit



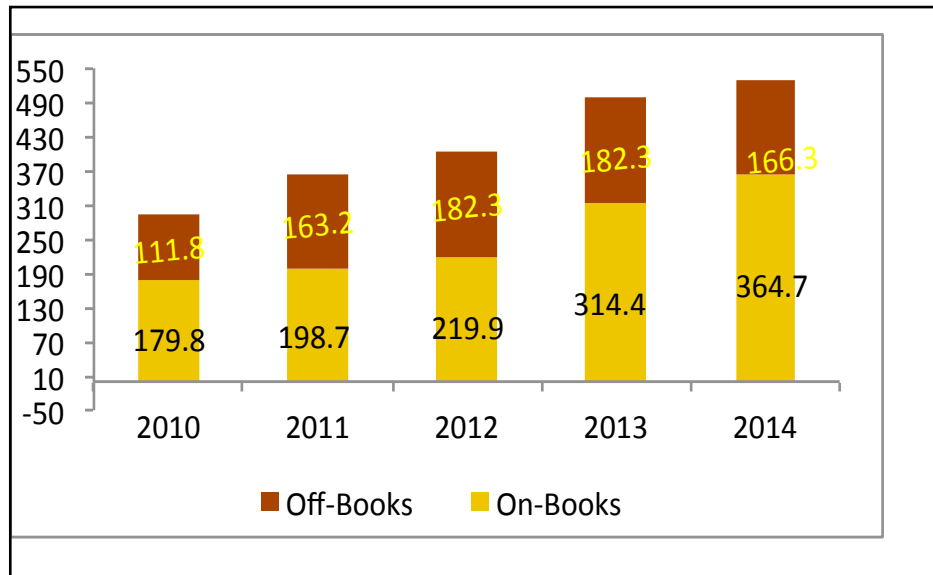
EPS



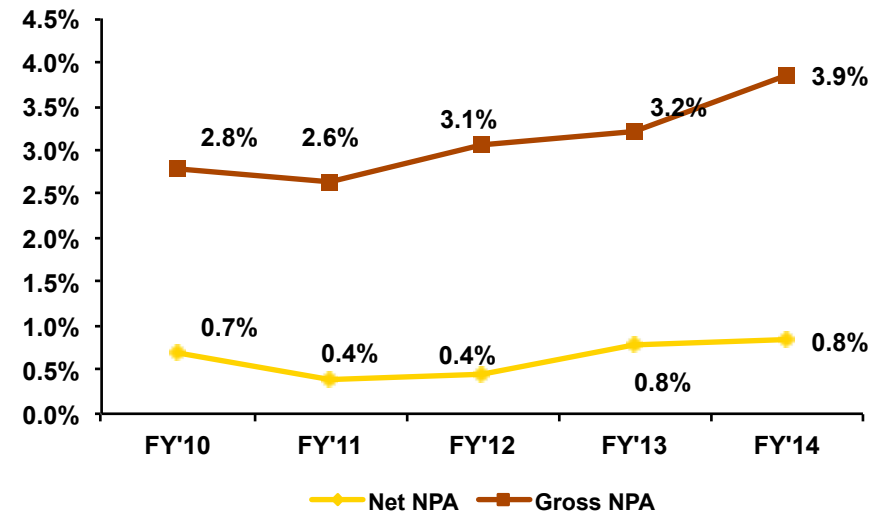
Driven by Fast Growth in AUM with Low NPAs



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

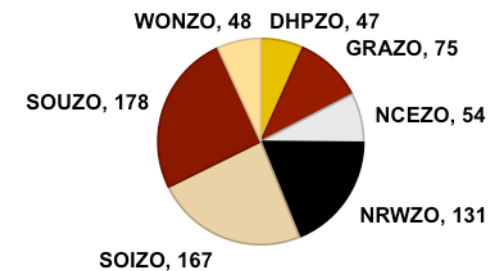


States with STFC Presence

Pan-India Presence

700 Branch Offices & **635** Rural Centres
Tie up with **Appx. 500** Private Financiers
16,410 Employees including **9,681** Field Officers

Regional Split of Branches



As on September 30, 2014

2

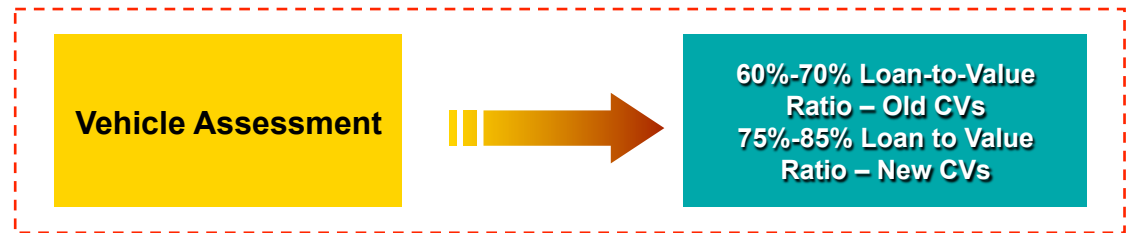
Valuation Skills & Recovery/Collection Operation: Leveraging on Relationships



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

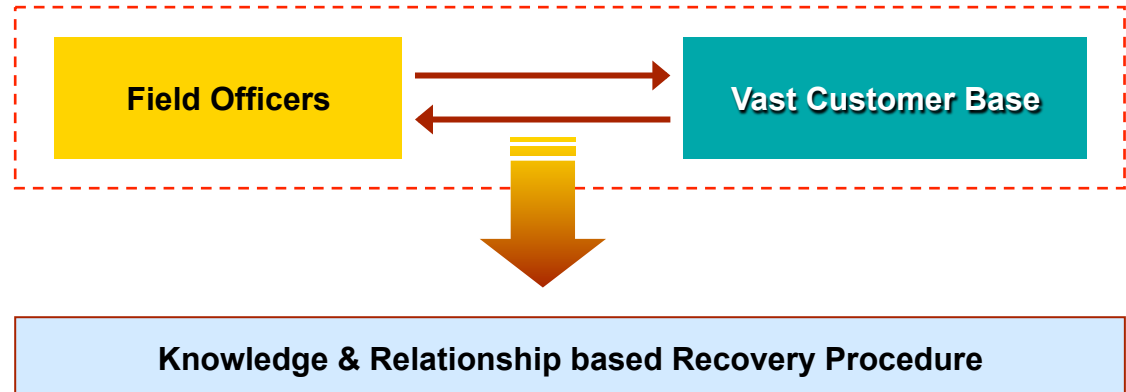
Knowledge driven valuation model



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

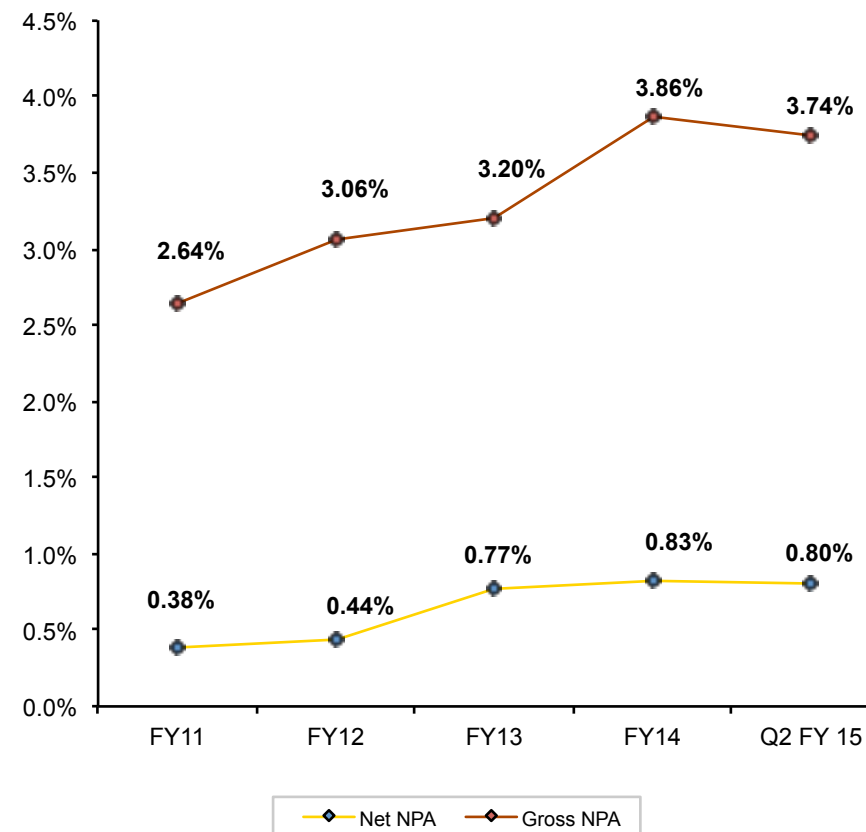
Reasons for Low Delinquency

- ❑ 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 September, 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
Centaura Investments	7.49	3.30
Sanlam Life Insurance	6.76	2.98
Ontario Teachers	6.02	2.65
Genesis Indian Investment Company	4.73	2.09
Stiching Pension Fund	4.71	2.07
Merrill Lynch Capital Market Espana	2.93	1.29
Openheimer Developing Market Fund	2.70	1.19
Government of Singapore	2.68	1.18
DB International (ASIA) Ltd.	2.53	1.12
Vanguard Emerging Market Stock Index Fund	2.36	1.04
Abudhabi Investment Authority	2.28	1.01
Public & Others	99.99	44.07
Total	226.88	100.00

*As on September 30, 2014

Large Investments by major Institutional and Private Equity Investors

3 Optimized Balance Sheet : Access to Low Cost Funds

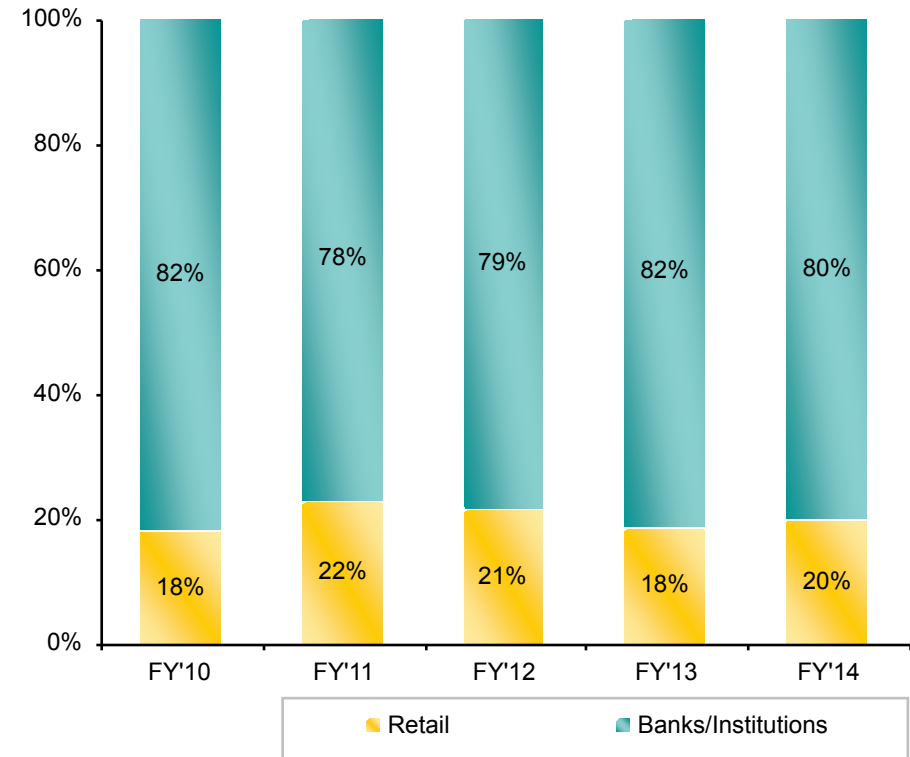
Borrowings

- ❑ 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. 114.27 bn at the end of Q2 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 N.V Netherland, International Asset Reconstruction Co. Pvt. Ltd., Ltd. InfoEdge, Dish TV India, Shriram City Union Finance, ITC 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 Global education Pvt. Ltd.

S. Sridhar *Director*

- ❑ Former Chairman & Managing Director of Central Bank of India, with nearly four decades of experience in commercial and development banking out of which 13 years were at the CEO/Board level.
- ❑ Currently, he serves as an Independent Director on the Boards of various companies, and also as a consultant to financial services companies.

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.

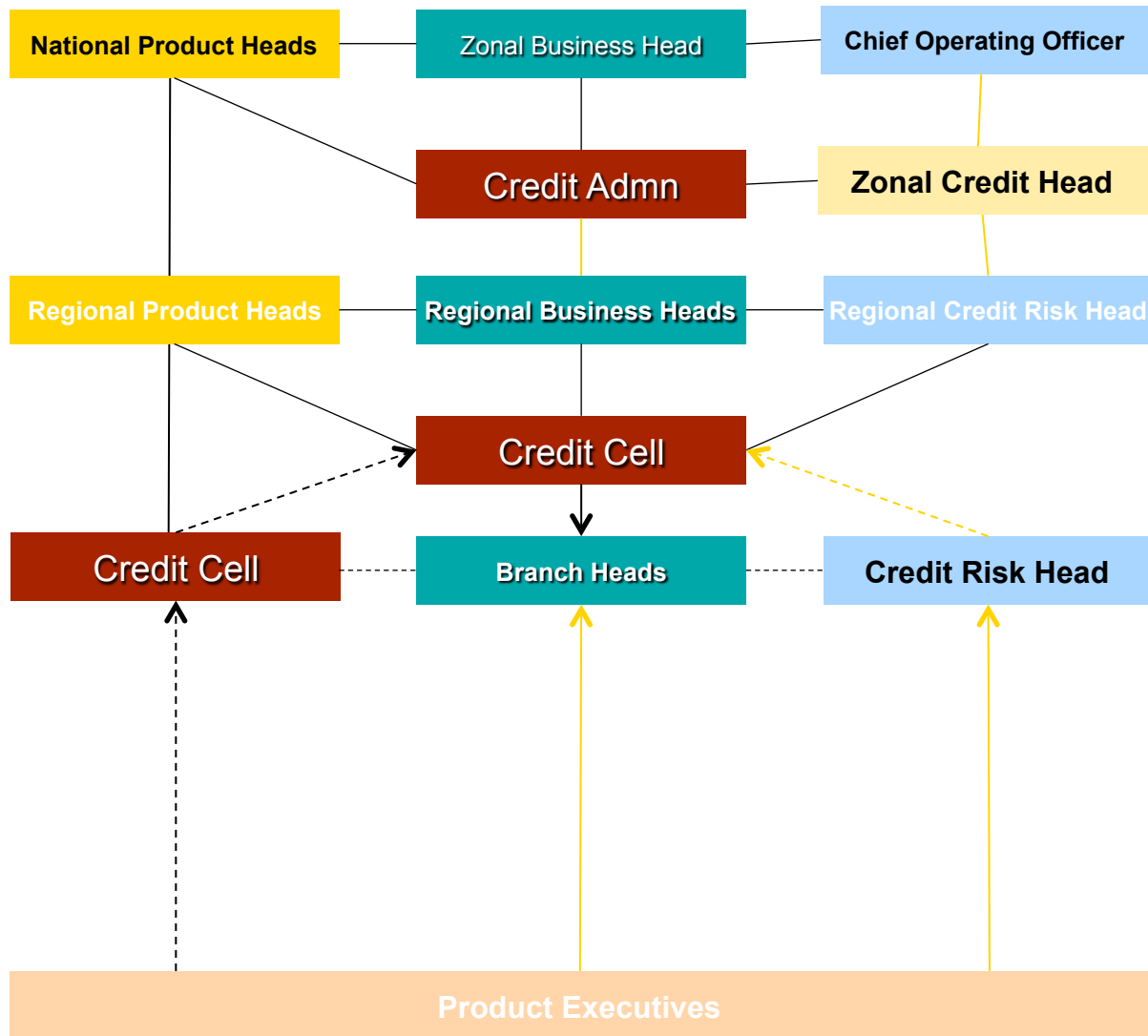
Sumatiprasad M Bafna Director

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

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

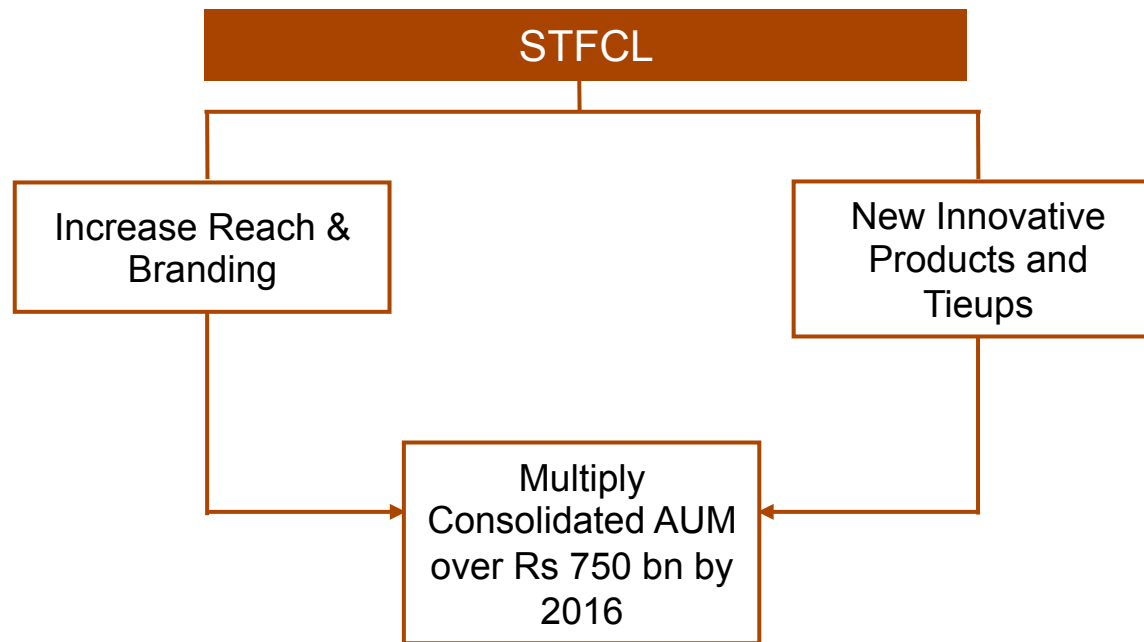
- ❑ Market expected to reach over Rs. 400 bn in 2014 driven by huge infrastructure spending during the 11th 5-Year Plan estimated at approximately Rs. 20 tn
- ❑ This business would be through our 100% subsidiary Shriram Equipment Finance Company Ltd under an independent management which would focus on 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.
- ❑ 40 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



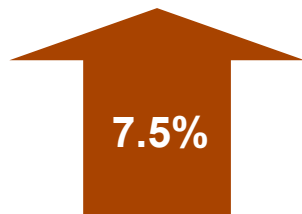
03

RECENT PERFORMANCE



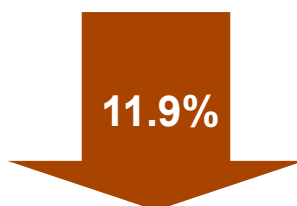
Consolidated Performance Review Q2 FY' 14 Vs. Q2 FY' 15

Rs 22,612.4 mn



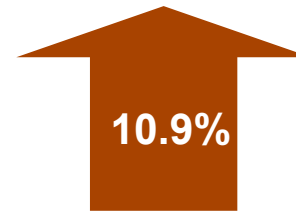
Rs 21,036.7 mn
Total Income

Rs 3,100.4 mn



Rs 3,519.3 mn
PAT

Rs 10,713.7 mn



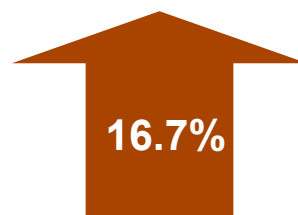
Rs 9,663.3 mn
Net Interest Income*

Rs 13.67



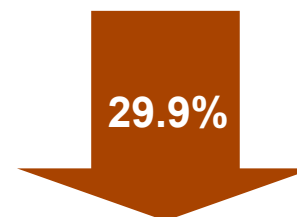
Rs 15.51
EPS

Rs 475.1 bn



Rs 407.0 bn
On Books Assets

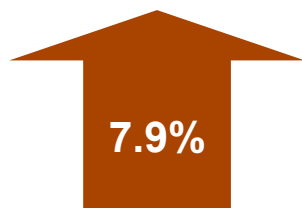
Rs 114.3 bn



Rs 162.9 bn
Off Books Assets

* including Securitisation Income

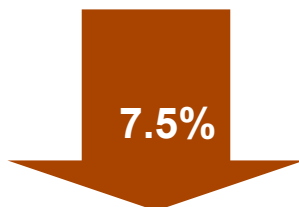
Rs 21,100.1 mn



Rs 19,553.6 mn

Total Income

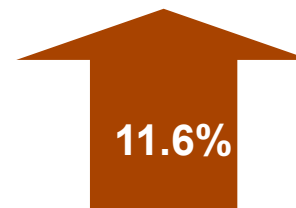
Rs 3,022.1 mn



Rs 3,268.3 mn

PAT

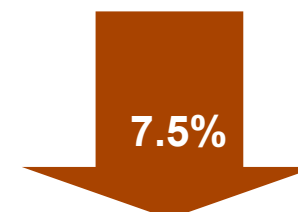
Rs 10,067.0 mn



Rs 9,023.9 mn

Net Interest Income*

Rs 13.32



Rs 14.41

EPS

➔ **Stable asset quality** with Gross NPAs and the Net NPA at 3.74% & 0.80% respectively and the Net NPA in absolute amount stands at Rs. 3,491.9 mn (Coverage ratio maintained over 79%)

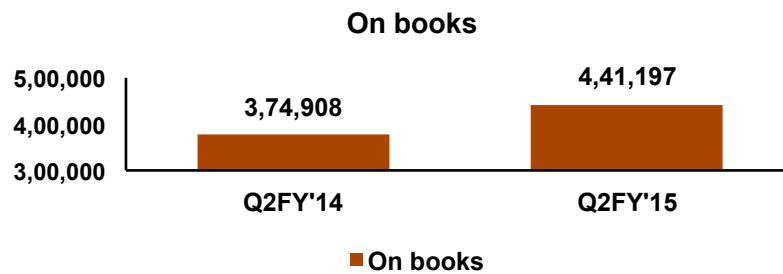
➔ **Employee strength** at 16,410 from 17,075 including 9,681 field executives.

* including Securitisation Income

Driven by Growing Assets

On Balance sheet assets

Rs mn

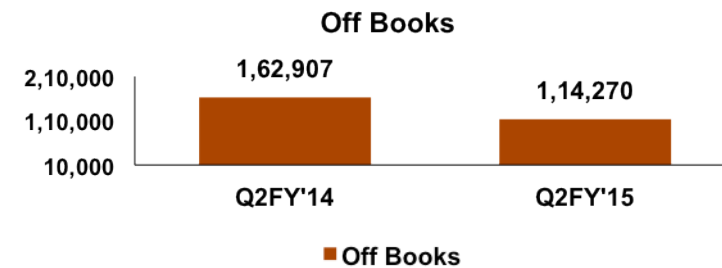


➔ 17.7% growth in On Balance sheet assets to Rs. 441.2 bn

Off Balance sheet assets

Rs mn

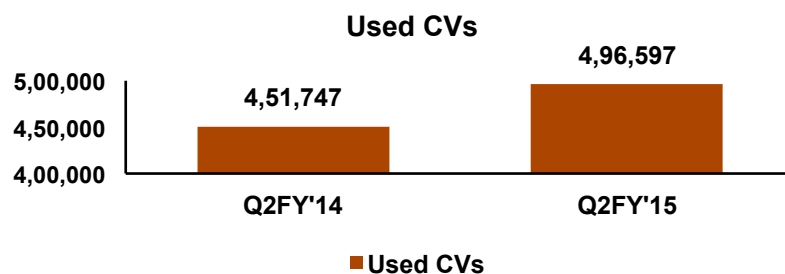
➔ Off Balance sheet assets stands at Rs 114.3 bn



Driven by Growing Assets

Used CVs assets

Rs mn

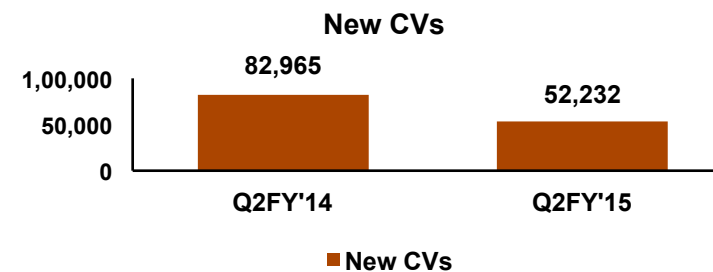


↘ 9.9% growth in Used CVs to Rs 496.6 bn

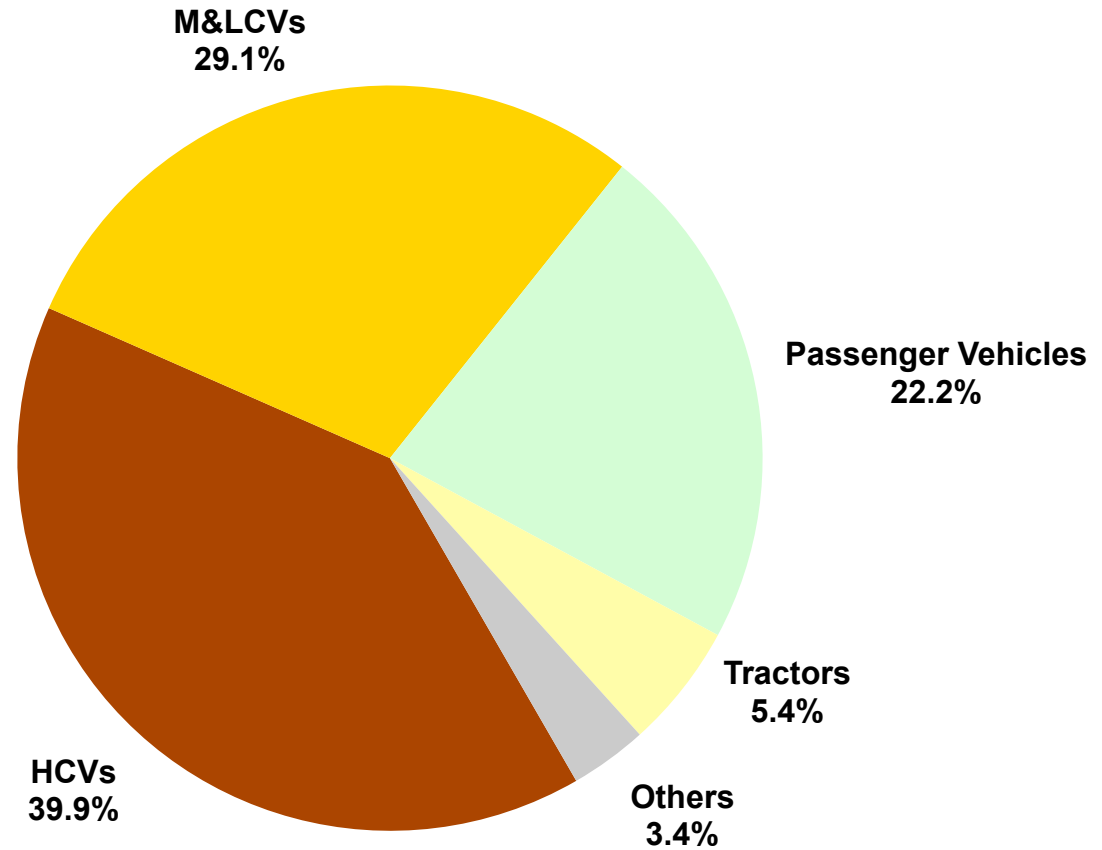
New CVs assets

Rs mn

↘ 37.0% degrowth in New CVs to Rs 52.2 bn



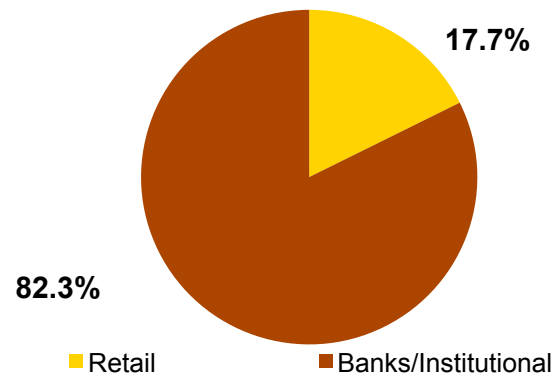
AUM BREAK-UP



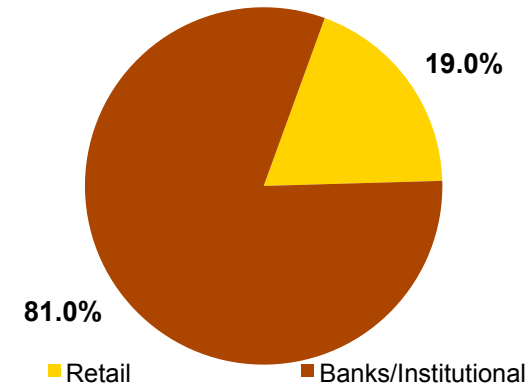
Supported by a Healthy Borrowing Profile

Borrowing Profile

Q2 FY' 14 – Rs 360.1 bn



Q2 FY' 15 – Rs 406.7 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

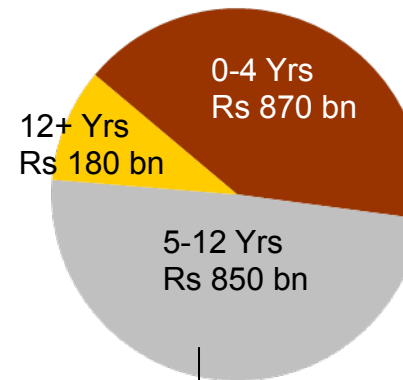
- Legislative pressure on banning trucks beyond 15 years is likely to trigger replacement boom
- Transport associations' introduction of Voluntary Retirement Scheme for old trucks with better financing options
- Financing amount of Rs 1,078 bn to be triggered through replacement demand for 1.35 mn new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

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

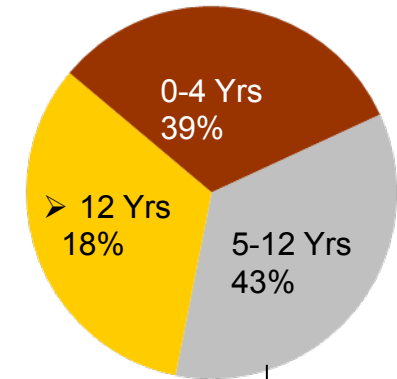
Growing freight capacity

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

Market Potential



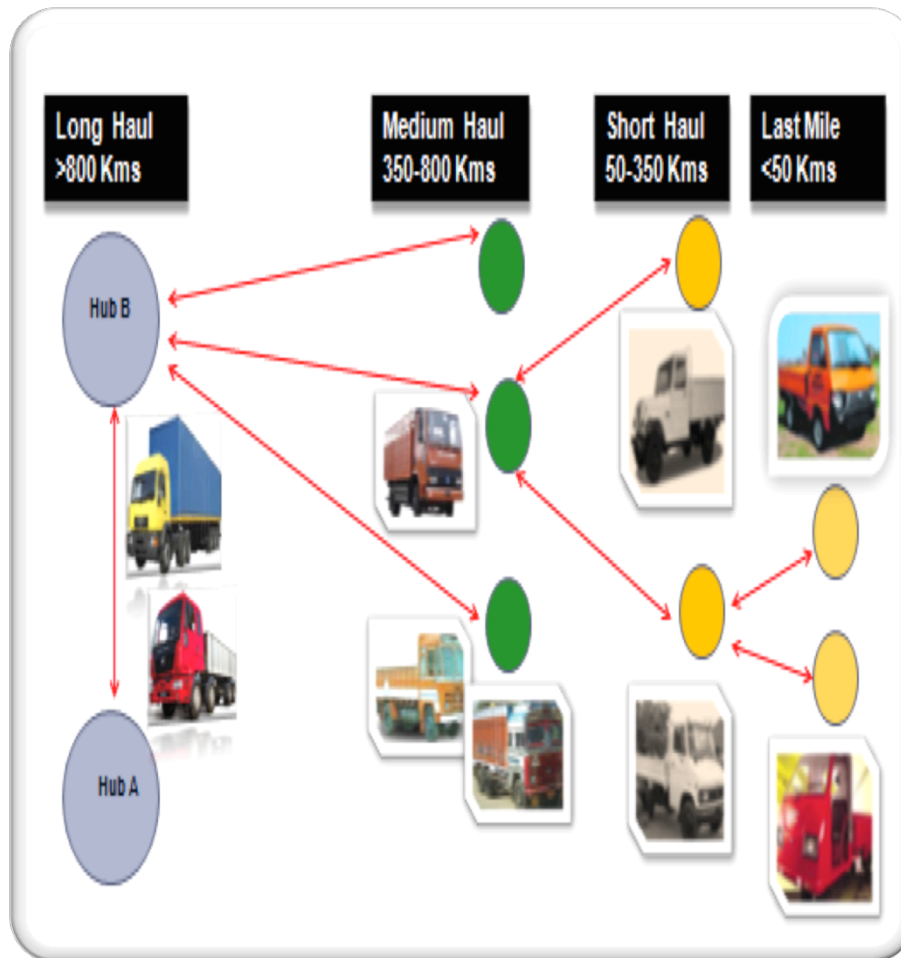
Truck Profile (7.5 mn)



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

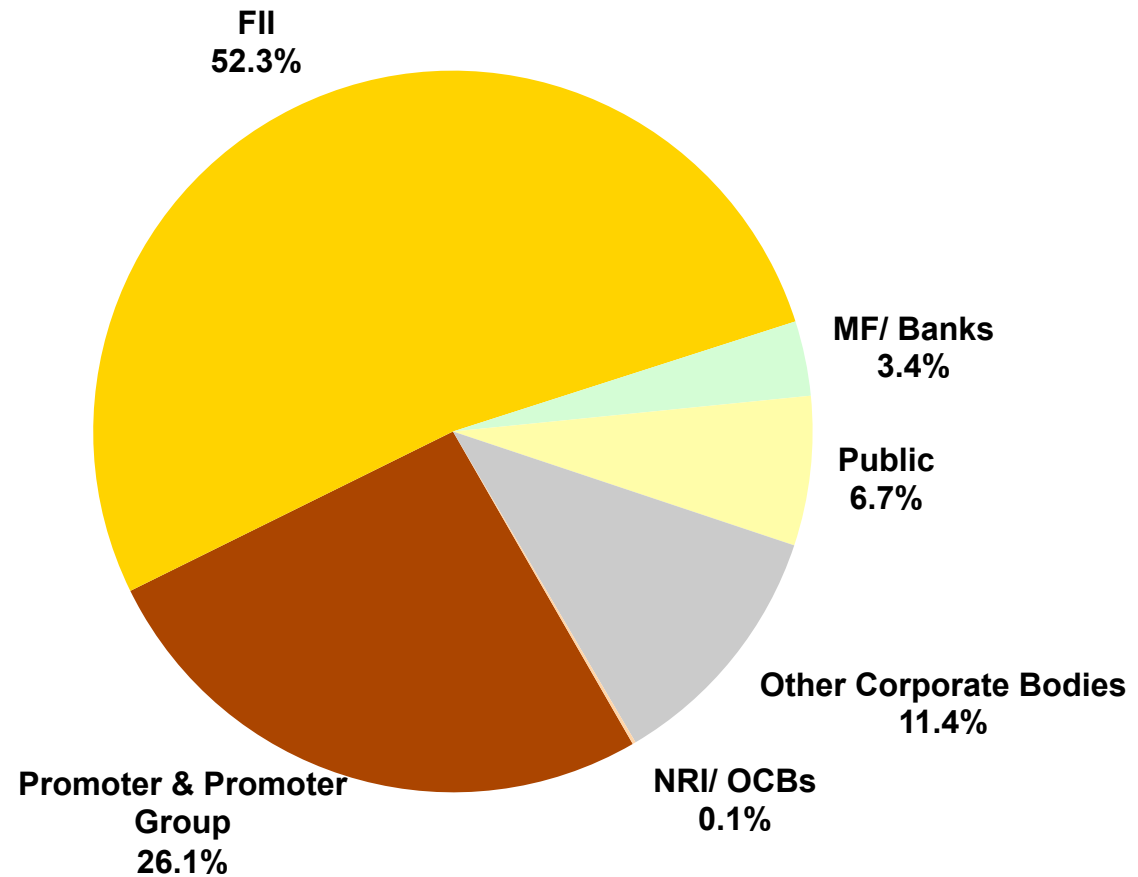


05

ANNEXURES



No. of shares outstanding: 226.88mn



Profit and Loss Statement



(Rs in Mn)

Profit & Loss Statement	Q2 FY'14	Q1 FY'15	Q2 FY'15	H1 FY'14	H1 FY'15	YoY %	QoQ %	FY'14
Interest Income	15,598.0	17,049.9	18,792.8	29,453.6	35,842.7	20.48%	10.22%	62,664.4
Interest expended	9,835.8	9,870.7	10,921.4	18,537.5	20,792.1	11.04%	10.64%	38,981.8
Net Interest Income	5,762.2	7,179.2	7,871.4	10,916.1	15,050.6	36.60%	9.64%	23,682.6
Income from Securitisation	3,415.7	2,583.0	2,263.6	7,388.6	4,846.6	-33.73%	-12.37%	13,367.7
Less : Securitisation expenses (Net)	154.0	116.0	68.0	267.7	184.0	-55.82%	-41.35%	571.4
Income from Securitisation (Net)	3,261.7	2,467.0	2,195.6	7,120.9	4,662.6	-32.68%	-11.00%	12,796.3
Net Interest Income including Income from Securitisation	9,023.9	9,646.2	10,067.0	18,037.0	19,713.2	11.56%	4.36%	36,478.9
Other fee based income	8.7	2.9	2.7	16.0	5.6	-69.18%	-6.91%	21.9
Operating Income	9,032.6	9,649.1	10,069.7	18,053.0	19,718.8	11.48%	4.36%	36,500.8
Operating expenditure	2,184.6	2,514.7	2,575.1	4,672.9	5,089.8	17.88%	2.40%	9,560.9
Core Operating Profit (before Provisions & Contingencies)	6,848.0	7,134.4	7,494.6	13,380.1	14,629.0	9.44%	5.05%	26,939.9
Other Income	410.3	263.2	165.9	1,226.7	429.1	-59.58%	-36.98%	1,633.5
Operating Profit	7,258.3	7,397.6	7,660.5	14,606.8	15,058.1	5.54%	3.55%	28,573.4
Provisions for Bad Debts	2,493.8	2,873.8	3,070.4	4,886.5	5,944.2	23.12%	6.84%	10,166.9
Provisions against Standard Assets	39.1	91.9	83.9	149.8	175.8	114.46%	-8.67%	126.1
PBT	4,725.4	4,431.9	4,506.2	9,570.5	8,938.1	-4.64%	1.68%	18,280.4
Tax	1,457.1	1,367.7	1,484.1	2,891.8	2,851.8	1.86%	8.51%	5,638.3
PAT	3,268.3	3,064.2	3,022.1	6,678.7	6,086.3	-7.53%	-1.37%	12,642.1
EPS (Rs)	14.41	13.51	13.32	29.44	26.83	-7.54%	-1.41%	55.72
Total CRAR %	19.87%	22.89%	21.96%	19.87%	21.96%	10.52%	-4.06%	23.37%
Book Value (Rs)	344.62	376.34	389.37	344.62	389.37	12.98%	3.46%	362.72
Key Ratios (%)	Q2 FY'14	Q1 FY'15	Q2 FY'15	H1 FY'14	H1 FY'15	YoY %	QoQ %	FY'14
Return on Avg. Net Worth	16.98%	14.55%	13.85%	17.73%	14.19%	-18.43%	-4.81%	16.20%
Return on Avg. Assets	2.75%	2.46%	2.31%	2.89%	2.38%	-16.00%	-6.10%	2.64%
Interest Coverage Ratio	1.98	2.02	1.94	2.05	1.98	-1.63%	-3.60%	1.99
NIM on AUM	6.73%	6.54%	6.60%	6.87%	6.57%	-1.93%	0.92%	6.68%

Balance Sheet



(Rs in Mn)

Balance Sheet	Q2 FY'14	Q1 FY'15	Q2 FY'15	H1 FY'14	H1 FY'15	YoY %	QoQ %	FY'14
Liabilities								
<i>Shareholder funds</i>								
(a) Share capital	2,269.1	2,269.1	2,269.10	2,269.10	2,269.10	0.00%	0.00%	2,269.1
(b) Reserves and surplus	76,357.8	83,514.9	86,537.00	76,357.80	86,537.00	13.33%	3.62%	80,463.1
<i>Non-current liabilities</i>								
(a) Long-term borrowings	2,18,026.3	2,25,020.6	2,71,118.90	2,18,026.30	2,71,118.90	24.35%	20.49%	2,27,120.9
(b) Other Long term liabilities	8,972.2	8,988.9	8,348.80	8,972.20	8,348.80	-6.95%	-7.12%	9,869.9
(c) Long term provisions	12,351.2	13,342.2	14,125.70	12,351.20	14,125.70	14.37%	5.87%	12,717.4
<i>Current liabilities</i>								
(a) Short-term borrowings	50,078.9	38,441.0	39,729.80	50,078.90	39,729.80	-20.67%	3.35%	29,859.0
(b) Trade payables	5,627.9	4,770.5	4,455.70	5,627.90	4,455.70	-20.83%	-6.60%	4,459.2
(c) Other current liabilities	1,28,037.4	1,19,804.1	1,12,321.10	1,28,037.40	1,12,321.10	-12.27%	-6.25%	1,22,562.9
(d) Short-term provisions	2,423.7	3,368.5	2,178.70	2,423.70	2,178.70	-10.11%	-35.32%	2,935.6
Total	5,04,144.5	4,99,519.8	5,41,084.8	5,04,144.5	5,41,084.8	7.33%	8.32%	4,92,257.1
Assets								
<i>Non-current assets</i>								
(a) Fixed assets								
(i) Tangible assets	768.0	972.1	1,003.2	768.0	1,003.2	30.63%	3.20%	990.2
(ii) Intangible assets	12.9	15.3	15.7	12.9	15.7	21.71%	2.61%	16.4
(b) Non-current investments	6,158.4	7,621.3	8,643.8	6,158.4	8,643.8	40.36%	13.42%	6,878.0
(c) Deferred tax assets (net)	2,882.5	2,426.0	2,491.8	2,882.5	2,491.8	-13.55%	2.71%	2,511.6
(d) Long term loans and advances	2,22,054.3	2,46,556.7	2,70,700.2	2,22,054.3	2,70,700.2	21.91%	9.79%	2,20,991.0
(e) Other non-current assets	761.7	378.1	402.5	761.7	402.5	-47.16%	6.45%	944.2
<i>Current assets</i>								
(a) Current investments	18,325.4	9,562.5	10,389.6	18,325.4	10,389.6	-43.30%	8.65%	20,374.6
(b) Cash and bank balances	77,007.2	53,807.3	59,650.1	77,007.2	59,650.1	-22.54%	10.86%	70,859.8
(c) Short-term loans and advances	1,75,271.1	1,77,352.3	1,86,889.1	1,75,271.1	1,86,889.1	6.63%	5.38%	1,67,891.2
(d) Other current assets	903.0	828.2	898.8	903.0	898.8	-0.47%	8.52%	800.1
Total	5,04,144.5	4,99,519.8	5,41,084.8	5,04,144.5	5,41,084.8	7.33%	8.32%	4,92,257.1

Details of Key Parameters (Profit & Loss Account)

Particulars		Q2	Q1	Q2	H1	H1	%	%	Year ended
		FY 2013 14	FY 2014 15	FY 2014 15	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Interest Income	mn	15,598.0	17,049.9	18,792.8	29,453.6	35,842.7	20.48%	10.22%	62,664.4
Securitisation Income	mn	3,261.7	2,467.0	2,195.6	7,120.9	4,662.6	-32.69%	-11.00%	12,796.3
Total Interest Income	mn	18,859.7	19,516.9	20,988.4	36,574.5	40,505.3	11.29%	7.54%	75,460.7
Less : Interest Expenses	mn	9,835.8	9,870.7	10,921.4	18,537.5	20,792.1	11.04%	10.64%	38,981.8
Net Interest Income	mn	9,023.9	9,646.2	10,067.0	18,037.0	19,713.2	11.56%	4.36%	36,478.9
Other Income	mn	419.1	266.1	168.6	1,242.7	434.7	-59.77%	-36.64%	1,655.3
Operating Income	mn	9,443.0	9,912.3	10,235.6	19,279.7	20,147.9	8.39%	3.26%	38,134.2
Profit after Tax	mn	3,268.3	3,064.2	3,022.1	6,678.7	6,086.3	-7.53%	-1.37%	12,642.1
Cost to Income Ratio	%	22.56	23.06	22.32	23.72	22.68	-1.06%	-3.21%	24.15
EPS	Rs.	14.41	13.51	13.32	29.44	26.83	-7.56%	-1.41%	55.72
ROA	%	2.75	2.46	2.31	2.89	2.38	-16.00%	-6.10%	2.64%
ROE	%	16.98	14.55	13.85	17.73	14.19	-18.43%	-4.81%	16.20%
NIM (on AUM)	%	6.73	6.54	6.60	6.87	6.57	-1.93%	0.92%	6.68%

Details of Key Parameters (Balance Sheet)

Particulars		Q2	Q1	Q2	H1	H1	%	%	Year ended
		FY 2013 14	FY 2014 15	FY 2014 15	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Asset under Management									
- On Books	mn	3,74,908.3	4,04,849.3	4,41,197.1	3,74,908.3	4,41,197.1	17.68%	8.98%	3,64,736.8
- Off Books	mn	1,62,906.6	1,38,733.4	1,14,270.2	1,62,906.6	1,14,270.2	-29.86%	-17.63%	1,66,284.3
Total AUM	mn	5,37,814.9	5,43,582.7	5,55,467.3	5,37,814.9	5,55,467.3	3.28%	2.19%	5,31,021.1
Securitisation done	mn	27,752	1,702	5,268	41,413	6,970	-81.02%	209.52%	1,06,795
Gross NPA	%	3.27	3.74	3.74	3.27	3.74	14.37%	0.00%	3.86
Net NPA	%	0.67	0.78	0.80	0.67	0.80	19.40%	2.56%	0.83
Gross NPA	mn	12,542.6	15,465.9	16,745.4	12,542.6	16,745.4	33.51%	8.27%	14,505.0
Net NPA	mn	2,517.1	3,134.9	3,491.9	2,517.1	3,491.9	38.73%	11.39%	3,029.1
Coverage Ratio	%	79.93	79.73	79.15	79.93	79.15	-0.98%	-0.73%	79.12
CRAR	%	19.87	22.89	21.96	19.87	21.96	10.52%	-4.06%	23.37
Book Value	Rs.	344.62	376.34	389.37	344.62	389.37	12.99%	3.46%	362.72

1. Shriram Equipment Finance Company Limited.

Assets under Finance - Rs. 33,921.7 mn in Q2 FY 15 (Rs. 32,112.7 mn in Q2 FY 14)

PAT – Rs. 73.7 mn in Q2 FY 15 (Rs. 232.0 mn in Q2 FY 14)

2. Shriram Automall India Limited.

- ONE STOP - Launched in more than 500 branches.
- AUTOMALL – 40 Automall in operation.

3. Fees Income earned Rs. 145.14 mn in Q2 FY 15 (Rs. 165.43 mn in Q2 FY 14)

Subsidiary - Shriram Equipment Finance Company Limited

Profit and Loss Statement



(Rs. In Mn)

Profit & Loss Statement	Q2 FY'14	Q1 FY'15	Q2 FY'15	YoY %	QoQ %	H1 FY'14	H1 FY'15	FY'14
Interest Income	1,345.6	1,261.8	1,393.4	3.56%	10.44%	2,634.3	2,655.2	5,439.3
Interest expended	706.2	751.4	746.8	5.74%	-0.61%	1,388.6	1,498.2	2,897.6
Net Interest Income	639.4	510.4	646.6	1.15%	26.70%	1,245.7	1,157.0	2,541.7
Operating Income	639.4	510.4	646.6	1.15%	26.70%	1,245.7	1,157.0	2,541.7
Operating expenditure	136.0	153.3	169.8	24.85%	10.72%	281.1	323.1	584.2
Core Operating Profit (before Provisions & Contingencies)	503.4	357.1	476.8	-5.26%	33.56%	964.6	833.9	1,957.5
Other Income	0.1	0.1	0.1	61.84%	47.11%	0.1	0.2	0.2
Operating Profit	503.5	357.2	476.9	-5.25%	33.56%	964.7	834.1	1,957.7
Provisions for Bad Debts	150.7	278.2	366.0	143.00%	31.60%	222.9	644.2	634.4
Provisions against Standard Assets	1.3	(1.4)	(0.8)	-161.21%	-44.82%	4.4	(2.2)	9.8
PBT	351.5	80.4	111.7	-68.22%	38.99%	737.4	192.1	1,313.5
Tax	119.5	27.1	38.0	-68.22%	40.39%	249.4	65.0	445.2
PAT	232.0	53.3	73.7	-68.22%	38.28%	488.0	127.1	868.3
EPS (Rs)	23.20	5.33	7.36	-68.24%	38.33%	48.79	12.69	86.81
Total CRAR %	20.60%	20.22%	20.69%	0.48%	2.36%	20.60%	20.69%	19.82%
Book Value (Rs)	200.83	244.26	251.74	25.35%	3.06%	200.83	251.74	238.93
Key Ratios (%)	Q2 FY'14	Q1 FY'15	Q2 FY'15	YoY %	QoQ %	H1 FY'14	H1 FY'15	FY'14
Return on Avg. Net Worth	21.13%	4.34%	5.92%	-71.97%	36.50%	22.86%	5.14%	19.34%
Return on Avg. Assets	2.82%	0.62%	0.83%	-70.64%	33.97%	3.02%	0.72%	2.59%
Interest Coverage Ratio	1.91	1.68	1.87	-2.06%	11.12%	1.90	1.77	1.88

Subsidiary - Shriram Equipment Finance Company Limited

Balance Sheet



(Rs. In Mn)

Balance Sheet	Q2 FY'14	Q1 FY'15	Q2 FY'15	YoY %	QoQ %	H1 FY'14	H1 FY'15	FY'14
I. EQUITY AND LIABILITIES								
(1) Shareholders' funds								
(a) Share capital	2,600.0	2,600.0	2,600.0	0.00%	0.00%	2,600.0	2,600.0	2,600.0
(b) Reserves and surplus	1,908.3	2,342.6	2,417.4	26.68%	3.19%	1,908.3	2,417.4	2,289.3
(2) Non-Current Liabilities								
(a) Long-term borrowings	13,817.8	12,279.9	13,680.5	-0.99%	11.41%	13,817.8	13,680.5	13,915.1
(b) Other long term liabilities	86.6	12.5	-	-	-	86.6	-	11.0
(c) Long term provisions	235.8	512.9	567.4	140.61%	10.62%	235.8	567.4	312.7
(3) Current Liabilities								
(a) Short-term borrowings	4,185.4	4,981.4	5,001.0	19.49%	0.39%	4,185.4	5,001.0	4,078.8
(b) Trade payables	910.0	749.3	888.9	-2.32%	18.64%	910.0	888.9	509.7
(c) Other current liabilities	9,321.7	11,169.8	11,714.3	25.67%	4.87%	9,321.7	11,714.3	10,895.5
(d) Short-term provisions	66.9	71.5	71.4	6.76%	-0.09%	66.9	71.4	69.3
Total	33,132.5	34,719.9	36,940.9	11.49%	6.40%	33,132.5	36,940.9	34,681.1
II. ASSETS								
(1) Non-current assets								
(a) Fixed assets								
(i) Tangible assets	8.0	8.1	7.2	-9.72%	-10.46%	8.0	7.2	9.7
(ii) Intangible assets	1.1	0.9	0.9	-25.26%	-7.43%	1.1	0.9	1.0
(b) Deferred tax assets (net)	30.5	31.8	32.1	5.25%	0.92%	30.5	32.1	32.7
(c) Long term loans and advances	17,433.1	17,902.2	18,079.1	3.71%	0.99%	17,433.1	18,079.1	18,106.0
(2) Current assets								
(a) Cash and bank balances	834.8	494.7	2,668.6	219.67%	439.48%	834.8	2,668.6	304.1
(b) Short-term loans and advances	14,825.0	16,282.2	16,153.0	8.97%	-0.79%	14,825.0	16,153.0	16,227.6
Total	33,132.5	34,719.9	36,940.9	11.49%	6.40%	33,132.5	36,940.9	34,681.1

Subsidiary - Shriram Equipment Finance Company Limited

Details of Key Parameters (Profit & Loss Account)



Particulars		Q2	Q1	Q2	H1	H1	%	%	Year ended
		FY 2013 14	FY 2014 15	FY 2014 15	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Interest Income	mn	1345.6	1261.8	1393.4	2634.3	2655.2	3.56%	10.44%	5439.3
Less : Interest Expenses	mn	706.2	751.4	746.8	1388.6	1498.2	5.74%	-0.61%	2897.6
Net Interest Income	mn	639.4	510.4	646.6	1245.7	1157.0	1.13%	26.70%	2541.7
Other Income	mn	0.1	0.1	0.1	0.1	0.2	61.84%	47.11%	0.2
Operating Income	mn	639.5	510.5	646.7	1245.8	1157.2	1.14%	26.70%	2541.9
Profit after Tax	mn	232.0	53.3	73.7	488.0	127.1	-68.22%	38.09%	868.3
Cost to Income Ratio	%	21.26	30.04	26.25	22.56	27.92	23.43%	-12.62%	22.98
EPS	Rs.	23.20	5.33	7.36	48.79	12.69	-68.24%	38.33%	86.81
ROA	%	2.82	0.62	0.83	3.02	0.72	-70.64%	33.97%	2.59
ROE	%	21.13	4.34	5.92	22.86	5.14	-71.97%	36.50%	19.34

Subsidiary - Shriram Equipment Finance Company Limited

Details of Key Parameters (Balance Sheet)



Particulars		Q2	Q1	Q2	H1	H1	%	%	Year ended
		FY 2013 14	FY 2014 15	FY 2014 15	FY 2013 14	FY 2014 15	YoY	QoQ	FY 2014
Asset under Management	mn	32,112.7	33,981.9	33,921.7	32,112.7	33,921.7	5.63%	-0.18%	34,183.9
Gross NPA	%	0.98	2.31	2.59	0.98	2.59	163.81%	12.41%	1.30
Net NPA	%	0.41	0.95	1.07	0.41	1.07	163.29%	12.79%	0.53
Gross NPA	mn	317.8	789.1	881.5	317.8	881.5	177.36%	11.70%	449.8
Net NPA	mn	129.4	318.8	356.7	129.4	356.7	175.76%	11.88%	181.3
Coverage Ratio	%	59.30	59.60	59.53	59.30	59.53	0.40%	-0.11%	59.70
CRAR	%	20.60	20.22	20.69	20.60	20.69	0.48%	2.36%	19.82
Book Value	Rs.	200.83	244.26	251.74	200.83	251.74	25.35%	3.06%	238.93

Subsidiary - Shriram Automall India Limited

Profit and Loss Statement



(Rs. in Mn)

Particulars	Q2	Q1	Q2	Year ended
	FY 2013 14	FY 2014 15	FY 2014 15	FY 2014
Income				
Revenue from operations	165.43	147.23	145.14	732.51
Other income	6.89	8.54	8.24	31.95
Total	172.32	155.77	153.38	764.46
Expenditure				
Employees Benefit expense	60.81	61.22	70.30	272.19
Finance cost	0.17	0.50	0.19	0.41
Depreciation and amortisation	9.12	9.04	6.53	32.26
Other expenses	71.84	71.52	66.46	335.26
Total	141.94	142.28	143.48	640.12
Profit/(Loss) before taxation	30.38	13.49	9.90	124.36
Provision for taxation				
Current tax	12.44	5.50	4.26	46.98
Deferred tax liability / (Asset)	(1.16)	(3.45)	0.85	(5.25)
Total tax expense / (income)	11.28	2.05	5.11	41.73
Profit/(Loss) after tax from continuing operations	19.10	11.44	4.79	82.63
Earnings/(Loss) per share				
Basic & Diluted (Rs.)	0.64	0.38	0.16	2.75
Nominal Value of Share (Rs.)	10.00	10.00	10.00	10.00

Subsidiary - Shriram Automall India Limited

Balance Sheet



(Rs. in Mn)

Particulars	Q2 FY 2013 14	Q1 FY 2014 15	Q2 FY 2014 15	Year ended FY 2014
I. EQUITY AND LIABILITIES				
Shareholders' Funds				
Share capital	300.00	300.00	300.00	300.00
Reserves and Surplus	26.22	89.01	94.21	80.26
Non-Current Liabilities				
Long term provisions	11.53	-	-	-
Current Liabilities				
Short-term borrowings	0.01	1.40	0.88	0.01
Trade payables	201.55	239.25	248.67	286.74
Other current liabilities	7.27	9.18	16.12	12.42
Short-term provisions	13.16	11.59	11.58	11.42
Total	559.74	650.43	671.46	690.85
II. ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	89.87	518.42	518.61	526.76
Intangible assets	6.75	2.69	1.56	4.21
Capital work-in-progress	0.41	-	-	-
Deferred tax assets	10.77	14.67	13.82	11.22
Long term loans and advances	45.91	21.55	19.84	14.80
Current assets				
Trade receivables	91.58	9.76	30.31	82.34
Cash and bank balances	25.96	49.22	56.46	20.47
Short-term loans and advances	281.88	34.09	30.65	31.01
Other assets	6.61	0.03	0.21	0.04
Total	559.74	650.43	671.46	690.85

About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with Assets on Balance sheet of Rs. 44,119.71 crores and off Balance sheet assets of Rs. 11,427.02 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 700 branches, and employs 16,410 employees including 9,681 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

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.

**For any Investor Relations
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Thank You