



Shriram Transport Finance Company Limited

33rd Annual Report 2011-12

FORWARD LOOKING STATEMENTS

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman (Non – Executive)

Arun Duggal (Non-Independent)

Managing Director

Umesh Revankar (w.e.f. April 01, 2012)

R. Sridhar (upto March 31, 2012)

Directors (Non- Executive)

Maya Shanker Verma (Independent)

Sumatiprasad M. Bafna (Independent)

Mukund Manohar Chitale (Independent)

Adit Jain (Independent)

S. Lakshminarayanan (Independent)

Puneet Bhatia

Ranvir Dewan

R. Sridhar (w.e.f. May 08, 2012)

S. Venkatakrishnan (upto May 08, 2012)

COMPANY SECRETARY

Vivek Achwal (w.e.f. September 02, 2011)

K. Prakash (upto August 31, 2011)

AUDITORS

M/s. S. R. Batliboi & Co., Chartered Accountants

M/s. G. D. Apte & Co., Chartered Accountants

SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited

2nd Floor, 'Kences Towers', No. 1,

Ramakrishna Street,

North Usman Road, T. Nagar,

Chennai - 600 017.

Tel: 044 2814 0801/02/03

Fax: 044 2814 2479

REGISTERED OFFICE

Mookambika Complex,

3rd Floor, No. 4, Lady Desika Road,

Mylapore, Chennai – 600 004.

HEAD OFFICE

Wockhardt Towers

West Wing, Level-3, C-2,

G-Block, Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051.

Tel: 022 4095 9595, Fax: 022 4095 9597

LISTED AT

BSE Ltd.

National Stock Exchange of India Ltd.

Madras Stock Exchange Ltd. (upto December 21, 2011)

INSTITUTIONS

Citicorp Finance (India) Ltd

GE Capital Services Ltd

BANKERS

Abu Dhabi Commercial Bank

Allahabad Bank

Andhra Bank

Australia and New Zealand Banking Group

Axis Bank

Barclays Bank PLC

Bank of America N.A.

Bank of Bahrain & Kuwait B.S.C.

Bank of Baroda

Bank of Ceylon

Bank of India

Bank of Maharashtra

Bank of Tokyo - Mitsubishi UFJ

Canara Bank

Central Bank of India

Citibank N.A.

City Union Bank

Corporation Bank

Credit Agricole Corporate & Investment Bank

Credit Suisse Group AG

DBS Bank

Dena Bank

Deutsche Bank AG

Development Credit Bank

Dhanlaxmi Bank

HDFC Bank

Hongkong and Shanghai Banking Corporation

ICICI Bank

IDBI Bank

Indian Bank

Indian Overseas Bank

IndusInd Bank

ING Vysya Bank

JP Morgan Chase Bank N.A.

Karnataka Bank

Karur Vysya Bank

Kotak Mahindra Bank

Lakshmi Vilas Bank

Mizuho Corporate Bank

Oriental Bank of Commerce

Punjab & Sindh Bank

Punjab National Bank

Shinhan Bank

Societe Generale Corporate & Investment Banking

Standard Chartered Bank

State Bank of Bikaner & Jaipur

State Bank of Hyderabad

State Bank of India

State Bank of Mauritius

State Bank of Mysore

State Bank of Patiala

State Bank of Travancore

Syndicate Bank

Tamilnad Mercantile Bank

The South Indian Bank

The Federal Bank

The Ratnakar Bank

UBS AG

UCO Bank

Union Bank of India

United Bank of India








Vijaya Bank

Yes Bank

WHO WE ARE

STFC AT A GLANCE



-  Incorporated in 1979
-  Flagship Company of Shriram Group
-  Headquartered in Mumbai, India
-  Pan India presence through 502 branches and ~500 private financiers
-  15,057 employees including 8,155 product/credit executives
-  Listed on the Bombay Stock Exchange (stock code: 511218) and the National Stock Exchange (stock code: SRTRANSFIN)
-  Market capitalisation of Rs. 13,200+ crore (as on March 31, 2012)






OUR REPUTATION



India's largest asset financing Non Banking Finance Company having ~25% market share in pre-owned and ~7% share in new truck financing.

OUR SERVICES



-  Financing of pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.
-  Finance for working capital, engine replacement, bill discounting, credit cards and tyre-loans as holistic financing support.
-  Financing of pre-owned and new Construction equipment through Shriram Equipment Finance Limited (subsidiary)
-  Owns, operates and manages Automall, India's first physical auction platform for pre-owned commercial vehicle through Shriram Automall India Limited (subsidiary)
-  Sale of refurbished commercial vehicles through Shriram New Look

MILESTONES

1979



STFC was established

1984



Initial Public Offering

1990



Investment from Telco & Ashok Leyland

1999



- Tied up with Citicorp for CV financing under portfolio Management Services
- The 1st securitization transaction by STFC

2002-04



- Preferential Allotment to Citicorp Finance (India) in 2002
- Preferential Allotment to Axis Bank and Reliance Capital in 2004

2005-06



- Merger of Shriram Investment Ltd. and Shriram Overseas Finance Ltd. with Shriram Transport Finance Limited
- PAT crosses Rs. 100 crore (2006)
- Investment from ChrysCapital (2005) and TPG (2006)

2009



- Successfully placed Rs. 1,000 crore of NCD with domestic investors
- Purchased hypothecation loan outstanding of commercial vehicle and construction equipment of GE Capital Services India and GE Capital Financial Services (GE) aggregating to approximately Rs. 1,100 crore

2010



- Securitised Rs. 8,757 crore during FY 2010
- Successfully raised Rs. 584 crore through QIP with domestic & international investors.

2012



Asset under management crosses Rs. 40,000 crore

2011-12 IN NUMBERS

Assets under management

Rs. 40,213.90 crore



Total income

Rs. 5,893.88 crore



Net profit

Rs. 1,257.45 crore



Earnings per share

Rs. 55.59



Net NPAs stood at

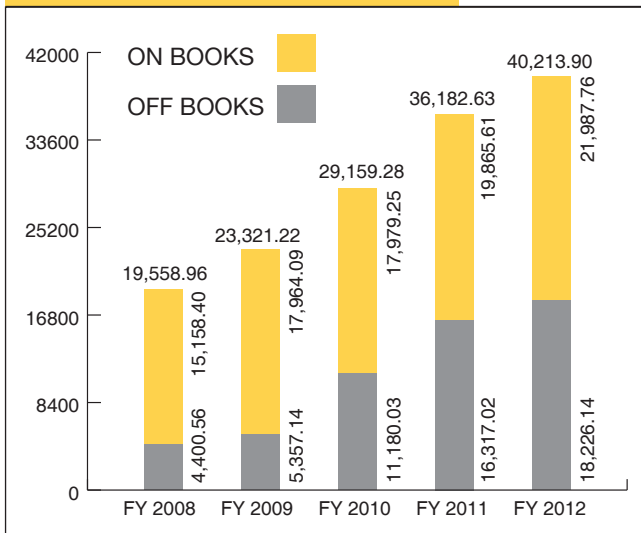
0.44%



ANNUAL PERFORMANCE TRENDS

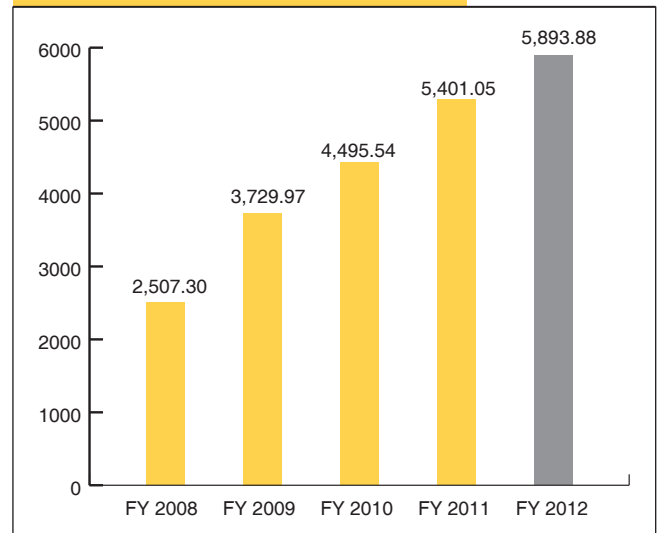
ASSETS UNDER MANAGEMENT

(Rs. crore)



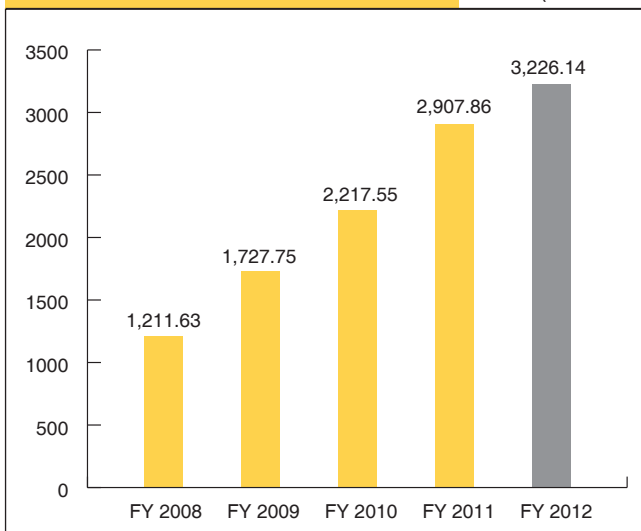
TOTAL INCOME

(Rs. crore)



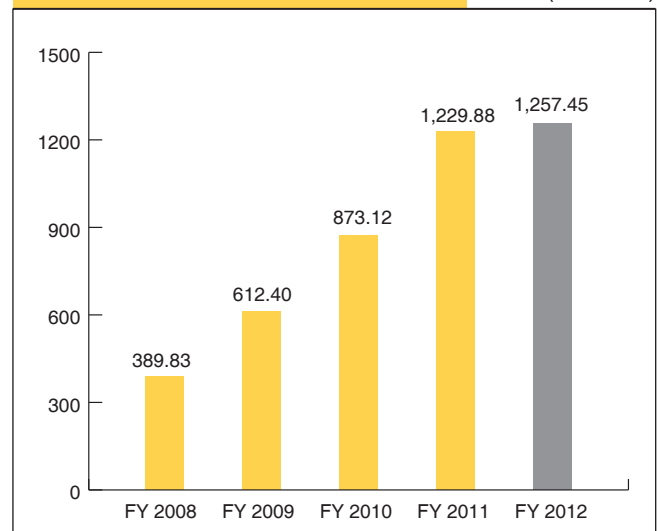
NET INTEREST INCOME

(Rs. crore)



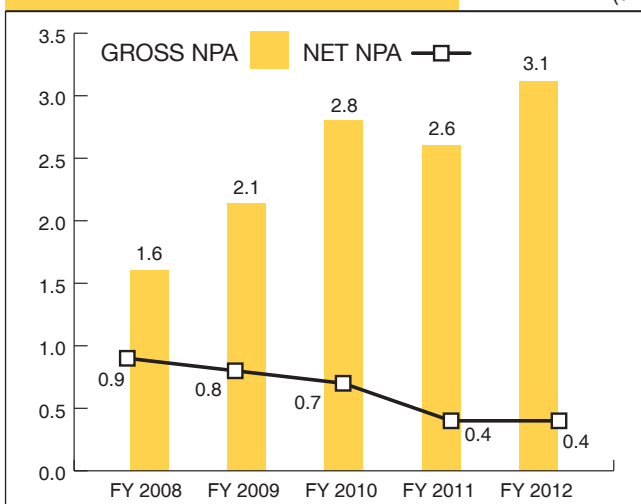
NET PROFIT

(Rs. crore)



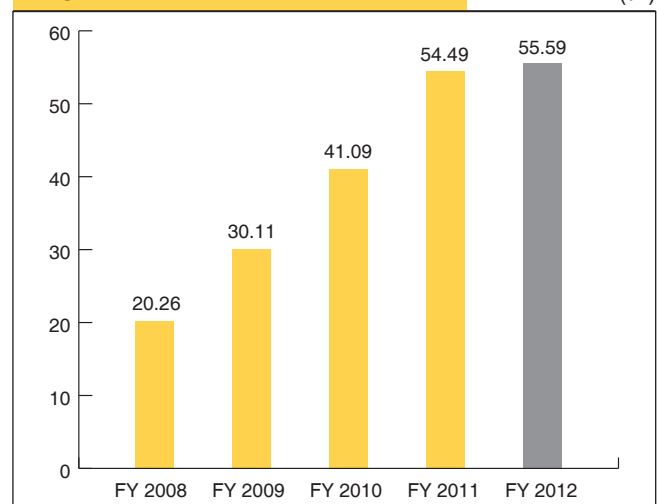
NPA

(%)



EPS

(%)



OUR REACH

A

ADILABAD
ADONI
AGARTALA
AGRA
AHMEDABAD
AHMEDNAGAR
AJMER
AKOLA
ALAPPUZHA
ALIGARH
ALLAHABAD
ALWAR
AMALAPURAM
AMARAVATI
AMBALA
AMBIKAPUR
AMRELI
AMRITSAR
ANAKAPALLE
ANANATHAPUR
ANAND
ANCHAL
ANGAMALY
ANGUL
ARAKONAM
ARANI
ARIYALUR
ARRAH
ASANSOL
ATTUR
AURANGABAD
AZADPUR

B

BACHHELI
BADDI
BAGALKOT
BALASORE
BALGHAT
BANKURA
BARAMATI
BARASAT
BARDOLI
BAREILLY
BARMER
BARODA
BASAVAKALYAN
BATLAGUNDU
BEED
BEGUSARAI
BEHRAICH

BELGAUM
BELLARY
BENGALURU
BERHAMPUR
BETUL
BHAGALPUR
BHANDARA
BHARATPUR
BHARUCH
BHATINDA
BHAVANIPURAM
BHAVNAGAR
BHILAI
BHILWARA
BHIMAVARAM
BHIWANDI
BHOPAL
BHUBANESWAR
BHUJ
BIDAR
BIJAPUR
BIJNORE
BIKANER
BILASHPUR
BILASPUR
BIRBHUM
BOKARO
BONGAIGAON
BUNDI
BURDWAN
BURHANPUR

C

CALICUT
CHAMARAJNAGAR
CHANDAN NAGAR
CHANDIGARH
CHANDIKHOL
CHANDRAPUR
CHANNAPATNA
CHANNARAYAPATNA
CHATTARPUR
CHENGALPATTU
CHENNAI
CHICKBALLAPUR
CHIDAMBARAM
CHIKKAMANGALORE
CHIKODI
CHINCHWAD
CHINDWARA
CHITLUN
CHITRADURGA
CHITTORE

CHITTORGARH
CHOWTUPPAL
COIMBATORE
COOCHBEHAR
CUDDALORE
CUDDAPAH
CUMBUM
CUTTACK

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DAHOD
DAUSA
DAVANGERE
DEEPIKA
DEHRADUN
DEOGHAR
DEWAS
DHAMTARI
DHANBAD
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DHARMAPURI
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DHULE
DINDIGUL
DURGAPUR

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ERNAKULAM
ERODE
ETAWAH

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FAIZABAD
FARIDABAD
FARUKHABAD
FATHEPUR

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GADHINGLAJ
GADWAL
GAJUWAKA
GANDHIDHAM
GANGANAGAR
GANGTOK
GAYA

GOBICHETTIPALAYAM
GODHARA
GODHAVARIKHANI
GONDIA
GORAKHPUR
GUDIVADA
GUDIYATHAM
GUDUR
GULBARGA
GUMMIDIPOONDI
GUNA
GUNTUR
GURGAON
GUWAHATI
GWALIOR

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HALDWANI
HANMANA
HASSAN
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HIMAYATHNAGAR
HIMMATNAGAR
HINDUPUR
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HOSPET
HOSUR
HUBLI
HYDERABAD

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INDORE
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JABALPUR
JAGADAMBA
JAGDALPUR
JAIPUR
JAISALMER
JAJPUR
JALANDHAR
JALGAON
JALNA
JAMKHAMBHALLIA
JAMMU

JAMNAGAR
JAMSHEDPUR
JANJGIR
JHALAWAR
JHANSI
JHARSUGUDA
JHUNJHUNU
JODHPUR
JORHAT
JUNAGADH
JYEPURE

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KANCHANGAD
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KARAIKUDI
KARIMNAGAR
KARNAL
KARUR
KASARAGOD
KATHUA
KATNI
KATTAPPANA
KATTEDAN
KAWARDHA
KAYAMKULAM
KEONJHAR
KHAMGAON
KHAMMAM
KHANDWA
KHARAGPUR
KODADA
KOLAR
KOLHAPUR
KOLKATA
KOLLAM
KOMPALLY
KOPPAL
KORBA
KOTA
KOTHAGUDEM
KOTHPUTALI
KOTTAYAM
KOVILPATTI



KRISHNAGIRI
KRISHNANAGAR
KUKATPALLY
KULLU
KUMBAKONAM
KUMTA
KUNDAPURA
KUNNANKULAM
KURNOOL

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LAKHIMPUR
LAKHIMPURKHIRI
LATUR
LINGASUGUR
LUCKNOW
LUDHIANA

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MACHILIPATNAM
MADANAPALLE
MADHURAWADA
MADIKERI
MADIWALA
MADURAI
MAHABOONNAGAR
MALDA
MALEGAON
MANCHERIAL
MANDAPETA
MANDI
MANGALORE
MANJERI
MARATHALI
MARKAPURAM
MARTHANDAM
MAYILADITHURAI
MEHSANA
MELUR
METTUPALAYAM
METTUR
MIRYALAGUDA
MOGA
MORADABAD
MORBI
MORENA
MOTIHARI
MUDBIDRI
MUMBAI
MURSHIDABAD

MUZAFFARPUR
MYSORE

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NADIAD
NAGERCOIL
NAGOLE
NAGOOR
NAGPUR
NAMAKKAL
NANDED
NANDIGAMA
NANDURBAR
NANDYAL
NARASARAOPETA
NARASIPATNAM
NARSINGHPUR
NASHIK
NAVI MUMBAI
NAVSARI
NEEMUCH
NELLORE
NEW DELHI
NEYYATINKARA
NIRMAL
NIZAMABAD

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PADI
PALAKKAD
PALANI
PALANPUR
PALAYAMKOTTAI
PANDHARPUR
PANJIM
PARAMAKUDI
PARAVATHIPURAM
PARBHANI
PATAN
PATHANAMTHITTA
PATHANKOT
PATNA
PENDURTHI

PIDUGURALLA
POLLACHI
PONDICHERRY
PORBANDAR
PRODDATUR
PUDUKOTTAI
PUNE
PURI
PURNEA
PUSAD
PUTTUR

R

RAIBAREILLY
RAICHUR
RAIGARH
RAIPUR
RAJAHMUNDY
RAJAPALAYAM
RAJKOT
RAJNANDGAON
RAJPIPLA
RAJSAMAND
RANCHI
RANIPET
RATLAM
RATNAGIRI
RAYAGADA
RENUKOOT
REWA
REWARI
ROHA
ROHTAK
ROURKELA

S

SADULPUR
SAGAR
SAGARA
SAHAJAHANPUR
SAHARANPUR
SAHIBABAD
SALEM
SALUR
SAMBALPUR
SANDUR
SANGAGIRI
SANGAMNER
SANGAREDDY
SANGLI
SANGRUR

SARAIPALLI
SATANA
SATARA
SAWAIMADHOPUR
SECUNDRABAD
SENDHWA
SHAHAPUR
SHAHDOL
SHILLONG
SHIMLA
SHIMOGA
SHIVPURI
SHRIRAMPUR
SIKAR
SILCHAR
SILIGURI
SINDHANUR
SINGARAYAKONDA
SIRMOUR
SIROHI
SIVAKASI
SOLAPUR
SRIGANGANAGAR
SRIKAKULAM
SRINAGAR
SULTANPUR
SULTHANBATHERY
SULUR
SURAT
SURENDRANAGAR

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T DASARAHALLI
TADEPALLIGUDEM
TADIPATRI
TAMBARAM
TAMLUK
TANJAVUR
TENALI
TENKASI
TEZPUR
THALASSERY
THANE
THENNI
THIRUPPATHUR
THIRUVALLUR
THIRUVARUR
TINDIVANAM
TINSUKIA
TIPTUR
TIRUCHENDUR
TIRUCHENGODE
TIRUNELVELI

TIRUPATHI
TIRUPPUR
TIRUR
TIRUVANNAMALAI
TIRUVOTRIYUR
TIRUVUR
TRICHUR
TRICHY
TRIVANDRUM
TUMKUR
TUTICORIN

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UDAIPUR
UDHAMPUR
UDUPI
UJJAIN
UNA

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VAPI
VARANASI
VATAKARA
VELLORE
VIJAYAWADA
VILLUPURAM
VIRUDHACHALAM
VIRUDHUNAGAR
VISAKHAPATNAM
VIZIANAGARAM

W

WADI
WADKHAL
WADHAN
WARANGAL
WARDHA
WARDHAMAN NAGAR
WASHIM

Y

YAMUNA NAGAR
YAVATMAL

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC OVERVIEW

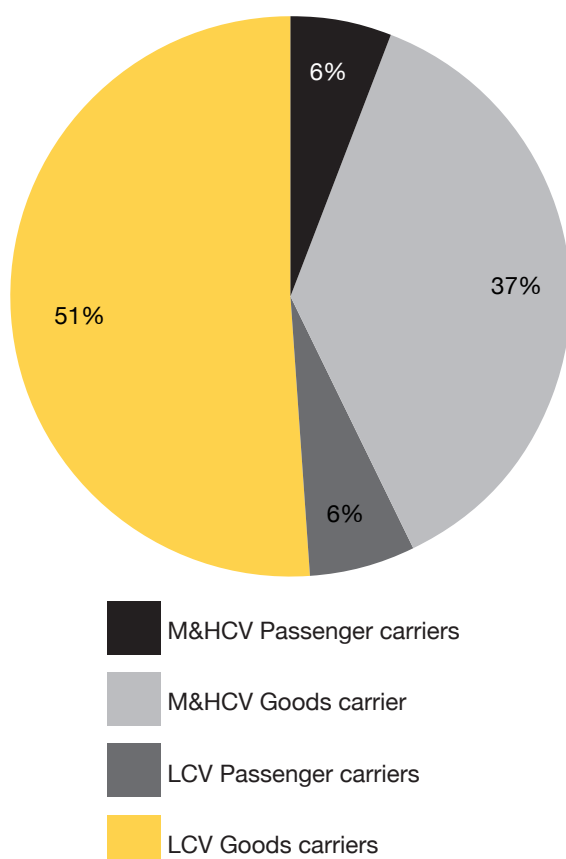
2011-12 was a difficult year for the global economy, with GDP growth slowing down from 5.3% in 2010 to 3.9% in 2011 in wake of European debt crisis, tightening liquidity and ongoing impact of 2008 meltdown. While the developed nations like US and Euro Zone counties nearly halved in terms of GDP (US from 3.2% in 2010 to 1.7% in 2011; and Euro Zone from 1.9% to 1.4% in 2011). With the ongoing crisis in Euro Zone, the GDP growth is anticipated to turn negative to -0.3% during 2012. Economic activity is expected to remain relatively solid in emerging markets such as India, China and Brazil with GDP growing 5.7% in 2012, down from 6.2% in 2011. The IMF, however, warned that the European debt crisis could flare up any time and send the global economy into a recession.

INDIAN ECONOMY

India's economic growth is estimated to have slowed to 6.9% in 2011-12 from 8.4% in 2010-11 mainly due to high inflation and high cost of finance that impacted both consumption and investments. The year was marked by tightening liquidity, higher cost of funds, leading to a negative impact on the infrastructure investments and resulting in deferred investment plans. But inflation has been under control since October last year and the Reserve Bank of India has eased its tight monetary policy by cutting the short-term lending rate for the first time in more than two years. Before cutting the rate by 0.50 percentage point in April 2012, the apex bank had increased repo rates by 3.75% in several rounds since March 2010 to check rising food and commodity prices. The Prime Minister's Economic Advisory Council recently predicted 7.5%-8.0% GDP growth in 2012-13 although the Asian Development Bank has pegged it at 7%.

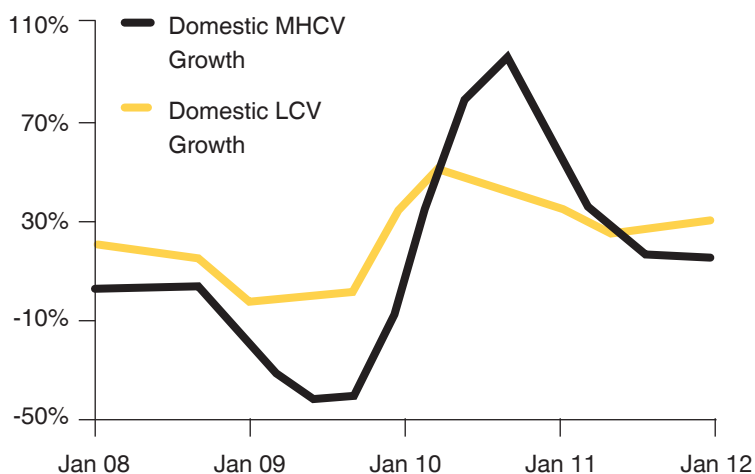
COMMERCIAL VEHICLES

Commercial Vehicles (FY12)



Segments	Segment-wise Volumes				
	FY08	FY09	FY10	FY11	FY12
M&HCVs	274,582	183,495	244,944	323,059	348,701
LCVs	218,912	200,699	287,777	361,849	460,831
Total	493,494	384,194	532,721	684,908	809,532

MONTHLY MHCV AND LCV SALES VOLUME GROWTH (TTM)



Source: SIAM Avendus Research