

SHORT-TERM REPORT



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SRTRANSFIN

SECTOR: REFINERIES
 BSE: 511218 | NSE: SRTRANSFIN

BUY

CMP: 987

TARGET: 1085

SL: 888

HIGHLIGHTS OF THE QUARTER

Asset Quality Stable (QoQ): GS-III assets were flat QoQ (+4%) YoY at ~Rs 94bn (8.7%). This is contextually impressive as SHTF's competitors saw QoQ deterioration on a/c of extrinsic factors. SHTF even saw a dip in its GS-II (20.4% vs. 22.1% QoQ). We watch for sustainability here. Non-tax provisions dipped ~30/33% to ~Rs 4.4bn (while calc. PCR was stable at ~32%). We model GNPA's of 8.2% by FY22E and LLPs of 2.3% over FY20-22E.

Tepid Growth: AUMs grew merely ~5% YoY (flat QoQ), on expected lines to Rs 1.09tn. Growth in pre-owned vehicles was slightly better at ~8/2% while new vehicle and other business AUMs saw sustained de-growth at - ~8/4%. We believe tepid growth is now, more a consequence of lower demand as commentary on funding is positive. We expect an uptick in AUM growth post FY20E and model an AUM CAGR of 8.9% over FY20- 22E vs. mgt guidance of low double digit growth in FY21.

Borrowings grew ~2/1%, slower than AUMs did. Previous headwinds on availability of funds seem to be dying down, but CoF remains elevated. Commentary on availability of funds was upbeat, especially overseas money. Foreign borrowings, public deposits and CPs represented a majority of the QoQ increase in borrowings. However, CPs along with debentures saw a considerable YoY de-growth.

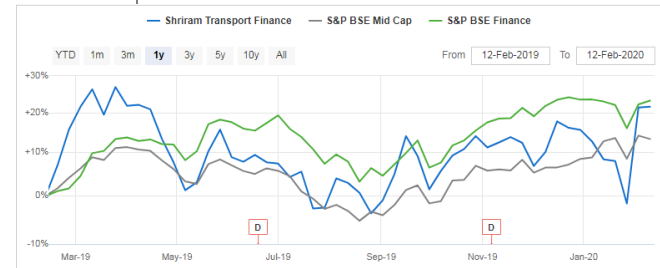
Elevated CoF (+67bps YoY, 9.3% calc.) continued to adversely impact margins as calc. yields did not increase commensurately (+6bps YoY, 15.2% calc.). On a sequential basis, yields dipped ~10bps while CoF dipped merely 2bps. Higher liquidity too, impacted NIMs. Consequently, reported NIMs were 30/5bps lower at 7.1%. We expect NIMs of 7.8% (calc.) over FY20-22E.

Company Data

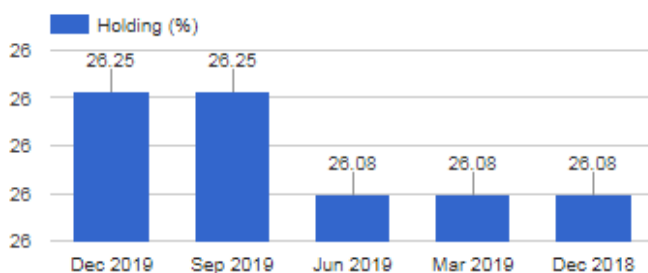
Market Cap:	27,653.60 Cr
Revenue (TTM)	16,428.76 Cr
Earnings (TTM)	3,024.50 Cr
Net Worth	17,172.54 Cr
Promoter Ownership	26.25%
Liquidity	High
52 Week Range	909.05 - 1,297.00
Face Value	10.00
Shares Outstanding	22,68,82,736

Stock Performance

Time Period	Shriram Transport Finance	S&P BSE Mid Cap	S&P BSE Finance
1 month	7.81	4.46	-0.71
3 months	8.74	7.18	3.55
1 Year	15.58	12.17	20.65
3 Years	8.15	5.54	15.11
5 Years	1.00	8.47	10.96
10 Years	9.59	9.29	13.86



Historical Institutional (FII + DII) holding in HPCL



Shareholding Summary Of HPCL

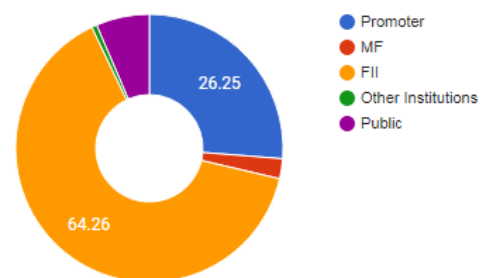


Exhibit 1: KEY RATIOS

Growth (%)	Quarterly		Annual (TTM)		
	QoQ	YoY	1-Year	3-Years	5-Years
Particulars					
Revenue	1.62	7.39	15.27	14.43	13.03
Operating Profit	8.65	14.70	11.36	18.08	13.97
Net Profit	14.92	38.35	0.69	29.39	19.16
EPS	14.43	38.36	1.05	29.59	19.23
Book Value	--	--	16.60	16.23	13.41

Exhibit 2: Quarterly Financials Snapshot (Standalone)

	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18
Income						
Operating Revenue	4,286.04	4,217.54	4,053.85	3,871.33	3,991.06	3,937.99
Other Income	2.16	2.28	7.80	9.10	2.34	9.77
Total Income	4,288.20	4,219.82	4,061.65	3,880.43	3,993.40	3,947.76
Interest Expended	2,119.29	2,113.40	2,043.14	1,888.47	1,918.69	1,850.36
Operating Expenses	946.29	1,143.95	1,003.49	1,008.21	1,079.88	1,147.68
PBDT	1,222.62	962.47	1,015.02	983.75	994.83	949.72
Depreciation	36.30	35.60	33.44	11.51	10.89	10.68
Profit before tax	1,186.32	926.87	981.58	972.24	983.94	939.04
Taxes	307.16	161.82	347.33	226.20	348.49	329.45
Profit after Tax	879.16	765.05	634.25	746.04	635.45	609.59
Equity Capital	226.88	226.88	226.88	226.91	226.90	226.90

Exhibit 3: SWOT OF SRTRANSFIN

STRENGTHS	WEAKNESS	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> The pioneer in the pre-owned commercial vehicles financing sector Pan-India presence with 654 branch offices A well-defined and scalable organisation structure based on product, territory and process knowledge Strong financial track record driven by fast growth in AUM with low Non Performing Assets (NPAs) Strong relationships with public, private as well as foreign banks, institutions and investors. More than 11 lacs customers across India 	<ul style="list-style-type: none"> The Company's business and its growth are directly linked to the GDP growth of the country 	<ul style="list-style-type: none"> Growth in the CV market Strong demand for construction equipment Strong demand for passenger CVs Strong demand for pre-owned tractors Loans for working capital requirements of CV users Partnerships with private financiers will enable the Company to enhance its reach without significant investments in building infrastructure 	<ul style="list-style-type: none"> Regulatory changes in the NBFC and ancillary sectors

Exhibit 4: Recommendation Chart



Technical View:-

- 1) Stock has shown reversal sign after continuous falling with good volumes.
- 2) Stock has formed doji candlestick pattern which is a bullish reversal pattern.
- 3) Stock has started to rise again from its multiple support level
- 4) RSI is showing bullish signals as it is trading in oversold region.