

SEC/FILING/BSE-NSE/19-20/68A-B

May 08, 2019

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 511218

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor,
Plot no. C/1, G- Block,
Bandra-Kurla Complex,
Mumbai – 400 051.
NSE Symbol: SRTRANSFIN

Dear Sirs,

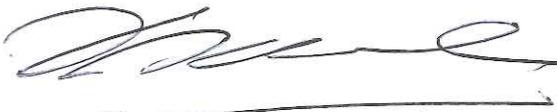
Sub.: Investor Update / Presentation

Further to our letter dt. 02/05/2019 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, we enclose herewith our Investor Update / Presentation.

Thanking you,

Yours faithfully,

For **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**



VIVEK ACHWAL
COMPANY SECRETARY

Shriram Transport Finance Company Limited

Corporate Office: Wockhardt Towers, Level – 3, West Wing, C-2, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91 22 4095 9595 | Fax: +91 22 4095 9597.

Registered Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2499 0356 | Fax: +91 44 2499 3272.

Website: www.stfc.in | Corporate Identity Number (CIN) – L65191TN1979PLC007874.

Our AUM has crossed

₹1,  Cr

Just another milestone in our growth journey

Shriram Transport Finance Company Ltd

Investor Update – Q4 & FY2019

May 08, 2019



Performance Highlights – FY19 vs FY18

Total Income	16.35% ↑	FY19	Rs 155,457.0 mn
		FY18	Rs 133,616.4 mn
Net Interest Income*	15.07% ↑	FY19	Rs 78,075.4 mn
		FY18	Rs 67,852.4 mn
* including Direct assignment Income Rs. 16.2 Mn (FY 18 Rs. Nil)			
PAT	4.20% ↑	FY19	Rs 25,639.9 mn #
		FY18	Rs 24,605.4 mn*
# includes Rs.1,098.2 Mn tax adjustment for earlier years			
* including Rs. 1,075.0 Mn (Net of taxes) of profit on stake sale of subsidiary			
EPS	4.20% ↑	FY19	Rs 113.01
		FY18	Rs 108.45

* Cost to income ratio at 21.49% in FY19 as compared to 20.63% in FY18

Performance Highlights – Q4 FY19 vs Q4 FY18

Total Income	7.63% ↑	Q4 FY19	Rs 38,804.3 mn
		Q4 FY18	Rs 36,054.7 mn
Net Interest Income*	2.76% ↑	Q4 FY19	Rs 19,058.6 mn
		Q4 FY18	Rs 18,546.3 mn
PAT	22.43% ↓	Q4 FY19	Rs 7,460.4 mn #
		Q4 FY18	Rs 9,617.6 mn*
EPS	22.43% ↓	Q4 FY19	Rs 32.88
		Q4 FY18	Rs 42.39

* including Direct assignment Income Rs. 13.4 Mn
(Q4 FY 18 Rs Nil)

includes Rs.1,098.2 Mn tax adjustment
for earlier years

* including Rs. 1,075.0 Mn (Net of taxes) of
profit on stake sale of subsidiary

* Employee strength at
26,630 (including
16,280 field executives)
in Q4 FY19 against
23,819 in Q4 FY18

Performance Highlights – Q4 FY19 vs Q4 FY18

AUM	8.54% ↑	Q4 FY19	Rs 1,044,822.9 mn
		Q4 FY18	Rs 962,606.1 mn
Gross Stage 3 assets	5.09% ↓	Q4 FY19	Rs 86,222.7 mn
		Q4 FY18	Rs 90,842.1 mn
Net Stage 3 assets	5.57% ↓	Q4 FY19	Rs 56,552.7 mn
		Q4 FY18	Rs 59,888.9 mn
Book Value	16.65% ↑	Q4 FY19	Rs 697.99
		Q4 FY18	Rs 598.35

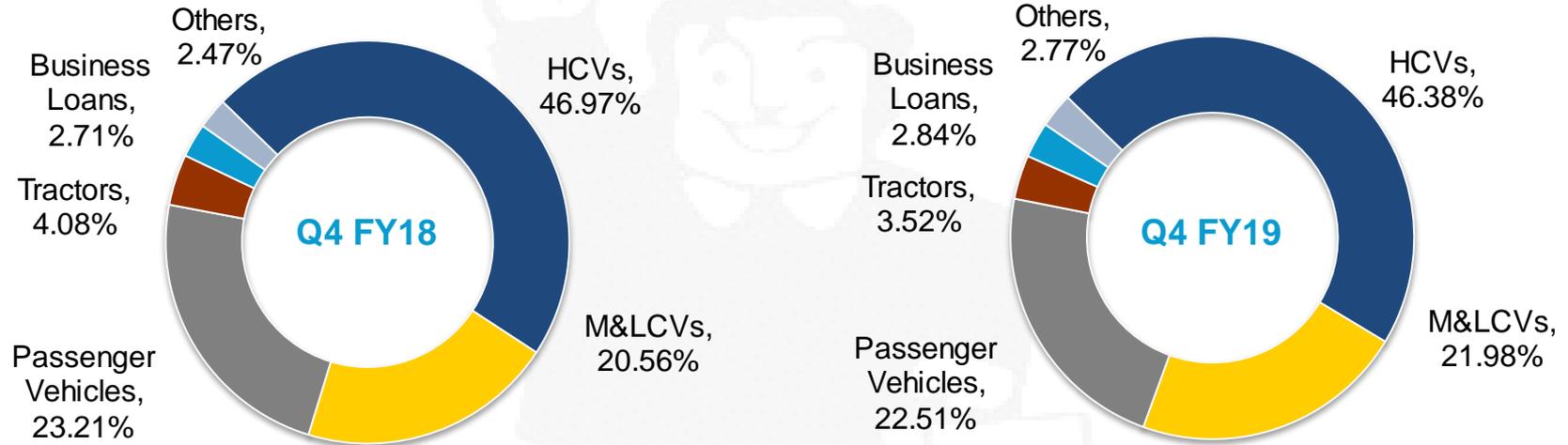
* CRAR at 20.27% as of Q4 FY19 compared to 17.38% as of Q4 FY18.

AUM Break-up

Particulars (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18	FY19	YoY (%)
Loan Portfolio										
- On Books										
Balance sheet assets	800,013.7	824,615.1	878,147.2	845,331.8	850,847.3	6.35%	0.65%	800,013.7	850,847.3	6.35%
Securitised assets	161,970.4	180,410.6	165,415.9	175,633.3	172,227.7	6.33%	-1.94%	161,970.4	172,227.7	6.33%
Total On books	961,984.1	1,005,025.7	1,043,563.1	1,020,965.1	1,023,075.0	6.35%	0.21%	961,984.1	1,023,075.0	6.35%
- Off Books*	622.0	380.0	235.2	17,214.3	21,747.9	3396.45%	26.34%	622.0	21,747.9	3396.45%
Total AUM	962,606.1	1,005,405.7	1,043,798.3	1,038,179.4	1,044,822.9	8.54%	0.64%	962,606.1	1,044,822.9	8.54%
- New	110,424.7	121,371.4	127,188.0	120,768.3	115,940.8	5.00%	-4.00%	110,424.7	115,940.8	5.00%
- Used	807,841.8	834,641.7	860,574.0	861,261.0	870,499.7	7.76%	1.07%	807,841.8	870,499.7	7.76%
- Business Loans	26,112.5	29,656.3	33,135.2	31,822.5	29,710.3	13.78%	-6.64%	26,112.5	29,710.3	13.78%
- Working capital loans	17,417.2	18,949.0	21,709.2	23,649.7	28,073.1	61.18%	18.70%	17,417.2	28,073.1	61.18%
- Others	809.9	787.3	1,191.9	677.9	599.0	-26.04%	-11.64%	809.9	599.0	-26.04%
Total AUM	962,606.1	1,005,405.7	1,043,798.3	1,038,179.4	1,044,822.9	8.54%	0.64%	962,606.1	1,044,822.9	8.54%

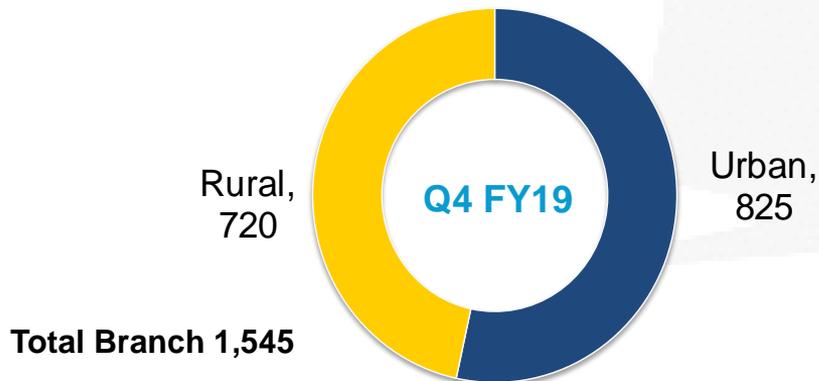
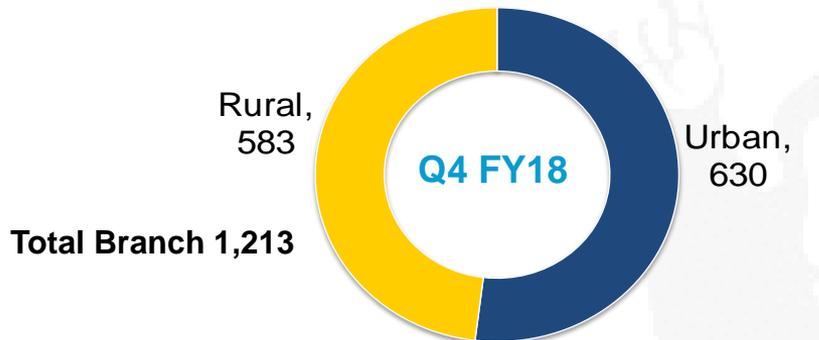
*Off Books pertains Direct assignment portfolio

Segment-wise Break up

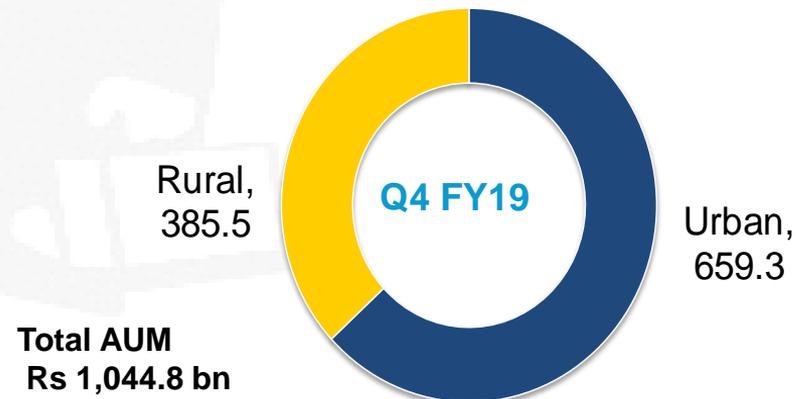
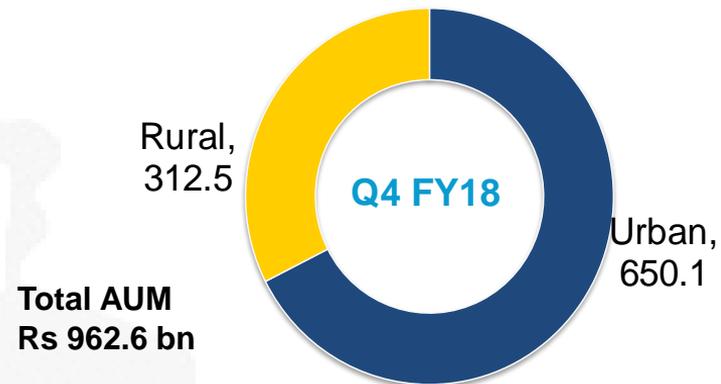


Branch & AUM distribution – Q4 FY19 vs Q4 FY18

Branch (Nos)



AUM (Rs in bn)



Provision Analysis

As per IGAAP

Particulars (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18	FY19	YoY (%)
Gross NPA	73,763.9	74,585.8	77,488.4	76,411.1	70,997.8	-3.75%	-7.08%	73,763.9	70,997.8	-3.75%
Net NPA	21,311.5	21,318.5	22,781.7	22,216.1	20,553.9	-3.55%	-7.48%	21,311.5	20,553.9	-3.55%
Gross NPA (%)	9.15%	8.98%	8.77%	8.97%	8.29%	-9.40%	-7.58%	9.15%	8.29%	-9.40%
Net NPA (%)	2.83%	2.74%	2.75%	2.79%	2.55%	-9.89%	-8.60%	2.83%	2.55%	-9.89%
Coverage Ratio (%)	71.11%	71.42%	70.60%	70.93%	71.05%	-0.08%	0.17%	71.11%	71.05%	-0.08%
Standard Assets provision	2,928.4	3,024.6	3,225.4	3,100.8	3,143.1	7.33%	1.36%	2,928.4	3,143.1	7.33%
Standard Assets provision (%)	0.40%	0.40%	0.40%	0.40%	0.40%	0.00%	0.00%	0.40%	0.40%	0.00%

As per IND AS

Particulars (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18	FY19	YoY (%)
Gross Stage 3	90,842.1	91,573.1	90,924.9	90,325.2	86,222.7	-5.09%	-4.54%	90,842.1	86,222.7	-5.09%
ECL provision-Stage 3	30,953.2	31,178.2	31,131.1	31,866.3	29,670.0	-4.15%	-6.89%	30,953.2	29,670.0	-4.15%
Net Stage 3	59,888.9	60,394.9	59,793.8	58,458.9	56,552.7	-5.57%	-3.26%	59,888.9	56,552.7	-5.57%
Gross Stage 3 (%)	9.39%	9.06%	8.64%	8.78%	8.37%	-10.87%	-4.64%	9.39%	8.37%	-10.87%
Net Stage 3 (%)	6.19%	6.17%	5.85%	5.86%	5.49%	-11.33%	-6.29%	6.19%	5.49%	-11.33%
Coverage Ratio (%) Stage 3	34.07%	34.05%	34.24%	35.28%	34.41%	0.99%	-2.46%	34.07%	34.41%	0.99%
Gross Stage 1 & 2	876,201.3	918,789.2	961,726.0	938,749.6	943,584.7	7.69%	0.52%	876,201.3	943,584.7	7.69%
ECL provision-Stage 1 & 2	23,650.2	23,413.3	26,042.6	26,511.3	26,037.0	10.09%	-1.79%	23,650.2	26,037.0	10.09%
Net Stage 1 & 2	852,551.1	895,376.0	935,683.4	912,238.3	917,547.7	7.62%	0.58%	852,551.1	917,547.7	7.62%
ECL provision (%) Stage 1 & 2	2.70%	2.55%	2.71%	2.82%	2.76%	2.23%	-2.29%	2.70%	2.76%	2.23%

P&L Statement

Particulars (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18**	FY18	FY19
Interest income	35,718.1	37,116.6	39,184.0	39,691.2	38,449.6	7.65%	-3.13%	121,435.5	132,710.3	154,441.4
Interest expended	17,171.8	18,887.6	18,674.9	19,412.5	19,391.0	12.92%	-0.11%	54,090.1	64,857.9	76,366.0
Net interest income	18,546.3	18,229.0	20,509.1	20,278.7	19,058.6	2.76%	-6.02%	67,345.4	67,852.4	78,075.4
Other Operating Income	36.5	41.9	59.0	67.4	73.4	101.10%	8.90%	121.0	121.0	241.8
Operating income	18,582.8	18,270.9	20,568.1	20,346.1	19,132.0	2.96%	-5.97%	67,466.4	67,973.4	78,317.2
Operating expenditure	4,227.6	4,348.4	4,515.8	4,328.4	4,288.0	1.43%	-0.93%	14,885.3	14,913.0	17,480.7
Core operating profit *	14,355.2	13,922.5	16,052.3	16,017.7	14,844.0	3.41%	-7.33%	52,581.1	53,060.4	60,836.5
Other income	1,697.2	134.7	173.8	183.8	276.4	-83.71%	50.38%	2,358.4	2,180.8	768.8
Operating profit	16,052.4	14,057.2	16,226.1	16,201.5	15,120.4	-5.81%	-6.67%	54,939.5	55,241.2	61,605.3
Loan Losses & Provision	971.5	5,226.7	6,835.8	6,362.1	5,398.0	455.64%	-15.15%	31,221.2	17,223.2	23,822.6
Profit before tax	15,080.9	8,830.5	9,390.3	9,839.4	9,722.4	-35.53%	-1.19%	23,718.3	38,018.0	37,782.7
Tax Expense	5,463.3	3,101.4	3,294.5	3,484.9	2,262.0	-58.60%	-35.09%	8,038.1	13,412.6	12,142.8
Profit after tax	9,617.6	5,729.1	6,095.8	6,354.5	7,460.4	-22.43%	17.40%	15,680.2	24,605.4	25,639.9
Other comprehensive Income (Net)	-3.1	-11.8	-0.7	-12.6	1.9	-161.29%	-115.08%	0.0	-12.9	-23.2
Total Comprehensive Income	9,614.5	5,717.3	6,095.1	6,341.9	7,462.3	-22.38%	17.67%	15,680.2	24,592.5	25,616.7
EPS (Rs)	42.39	25.25	26.86	28.02	32.88	-22.43%	17.34%	69.11	108.45	113.01
Tier I CRAR %	14.47%	14.34%	14.27%	14.96%	15.62%	7.97%	4.40%	14.24%	14.47%	15.62%
Tier II CRAR %	2.92%	2.58%	2.42%	4.76%	4.65%	59.48%	-2.33%	2.63%	2.92%	4.65%
Total CRAR %	17.38%	16.92%	16.69%	19.72%	20.27%	16.61%	2.78%	16.87%	17.38%	20.27%
Book Value (Rs)	598.35	623.55	643.18	665.10	697.99	16.65%	4.95%	554.12	598.35	697.99

*Before Provisions & Contingencies

** FY18 Financials as per IGAAP

Balance Sheet

Particulars (Rs. mn)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	YoY (%)	QoQ (%)
I. ASSETS							
Financial Assets							
Cash and cash equivalents	10,907.1	3,519.4	3,619.6	20,596.5	10,291.4	-5.64%	-50.03%
Bank Balance other than above	25,838.4	25,783.1	24,178.6	36,526.8	29,523.3	14.26%	-19.17%
Derivative financial instruments	105.4	3,500.0	29,109.2	27,949.2	217.2	106.07%	-99.22%
Receivables							
(I) Trade Receivables	139.8	63.7	71.2	57.4	84.8	-39.34%	47.74%
(II) Other Receivables	34.8	70.2	165.9	199.9	199.5	473.28%	-0.20%
Loans	907,456.2	950,518.8	986,594.1	962,813.7	967,514.9	6.62%	0.49%
Investments	23,413.6	24,313.8	23,455.8	34,508.5	39,990.6	70.80%	15.89%
Other Financial assets	374.8	419.7	423.7	365.6	417.6	11.42%	14.22%
Non Financial assets							
Current tax assets (net)	1,042.6	840.6	840.6	840.6	1,065.8	2.23%	26.79%
Deferred tax assets (net)	521.9	356.2	712.9	773.0	757.0	45.05%	-2.07%
Investment Property	21.0	20.9	20.8	20.7	20.6	-1.90%	-0.48%
Property, plant and equipment	1,182.2	1,166.3	1,238.7	1,270.2	1,434.6	21.35%	12.94%
Other Intangible assets	17.4	24.2	23.8	21.2	19.7	13.22%	-7.08%
Other non financial assets	1,395.1	1,452.9	1,514.7	1,609.8	1,387.9	-0.52%	-13.78%
Total	972,450.3	1,012,049.8	1,071,969.6	1,087,553.1	1,052,924.9	8.28%	-3.18%

Balance Sheet (Continued)

Particulars (Rs. mn)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	YoY (%)	QoQ (%)
II. Liabilities and Equity							
Financial Liabilities							
Derivative financial instruments	46.8	3,189.9	28,582.7	27,612.0	834.2	1682.48%	-96.98%
Trade Payables	2,197.7	2,159.2	2,255.9	2,542.6	2,036.3	-7.34%	-19.91%
Debt Securities	324,326.1	322,193.9	350,434.8	351,994.9	341,817.5	5.39%	-2.89%
Borrowings	361,085.4	392,767.8	392,049.5	381,914.4	371,893.0	2.99%	-2.62%
Deposits	85,977.5	87,893.7	91,939.2	96,706.0	103,414.7	20.28%	6.94%
Subordinated Liabilities	49,919.4	49,188.6	47,511.4	64,846.7	62,018.8	24.24%	-4.36%
Other Financial liabilities	6,506.8	6,039.6	5,792.5	4,792.6	7,312.9	12.39%	52.59%
Non-financial Liabilities							
Current tax liabilities (net)	2,165.1	3,026.5	2,949.7	2,132.2	1,029.7	-52.44%	-51.71%
Provisions	1,273.3	1,313.3	1,446.6	1,522.5	1,332.7	4.67%	-12.47%
Other non-financial liabilities	3,197.3	2,805.2	3,081.2	2,588.9	2,872.2	-10.17%	10.94%
Equity							
Equity share capital	2,269.1	2,269.1	2,269.1	2,269.1	2,269.1	0.00%	0.00%
Other equity	133,485.8	139,203.0	143,657.0	148,631.2	156,093.8	16.94%	5.02%
Total	972,450.3	1,012,049.8	1,071,969.6	1,087,553.1	1,052,924.9	8.28%	-3.18%

Key Metrics – Q4 FY19

P&L Metrics (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18*	FY18	FY19
Interest Income	35,718.1	37,116.6	39,184.0	39,691.2	38,449.6	7.65%	-3.13%	115,961.9	132,710.3	154,441.4
Less: Interest Expenses	17,171.8	18,887.6	18,674.9	19,412.5	19,391.0	12.92%	-0.11%	56,975.0	64,857.9	76,366.0
Net Interest Income	18,546.3	18,229.0	20,509.1	20,278.7	19,058.6	2.76%	-6.02%	58,986.9	67,852.4	78,075.4
Other Income	1,733.7	176.6	232.8	251.2	349.8	-79.82%	39.25%	690.4	2,301.8	1,010.6
Profit After Tax	9,617.6	5,729.1	6,095.8	6,354.5	7,460.4	-22.43%	17.40%	18,179.3	24,605.4	25,639.9
EPS (Rs.)	42.39	25.25	26.86	28.02	32.88	-22.43%	17.34%	80.13	108.45	113.01
Cost to income Ratio (%)	20.38%	23.04%	21.32%	20.37%	21.39%	4.97%	5.00%	20.59%	20.63%	21.49%
NIM (on AUM)	7.61%	7.44%	7.52%	7.44%	7.22%	-5.13%	-3.02%	7.50%	7.52%	7.41%

Balance Sheet Metrics (Rs. mn)	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	YoY (%)	QoQ (%)	FY18*	FY18	FY19
Networth	135,478.6	141,195.9	145,649.8	150,624.1	158,086.6	16.69%	4.95%	125,444.3	135,478.6	158,086.6
Book Value (Rs.)	598.35	623.55	643.18	665.10	697.99	16.65%	4.95%	554.12	598.35	697.99
Interest Coverage (x)	2.18	1.97	2.11	2.05	2.00	-8.34%	-2.77%	2.29	2.08	2.03
ROA (%)	3.85%	2.19%	2.22%	2.24%	2.65%	-31.11%	18.55%	1.94%	2.64%	2.33%
ROE (%)	29.90%	16.53%	16.97%	17.13%	19.30%	-35.46%	12.69%	13.06%	20.78%	17.52%
CRAR (%)	17.38%	16.92%	16.69%	19.72%	20.27%	16.61%	2.78%	16.87%	17.38%	20.27%

* FY18 Financials as per IGAAP

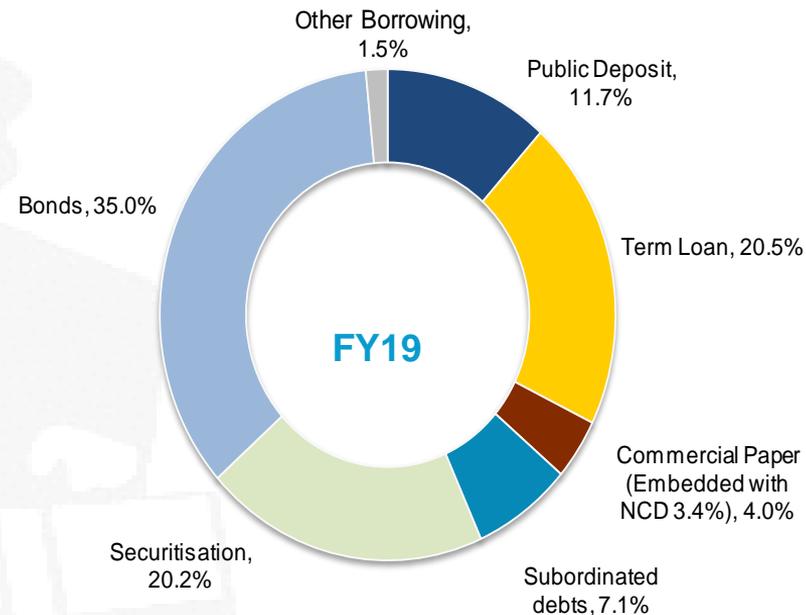
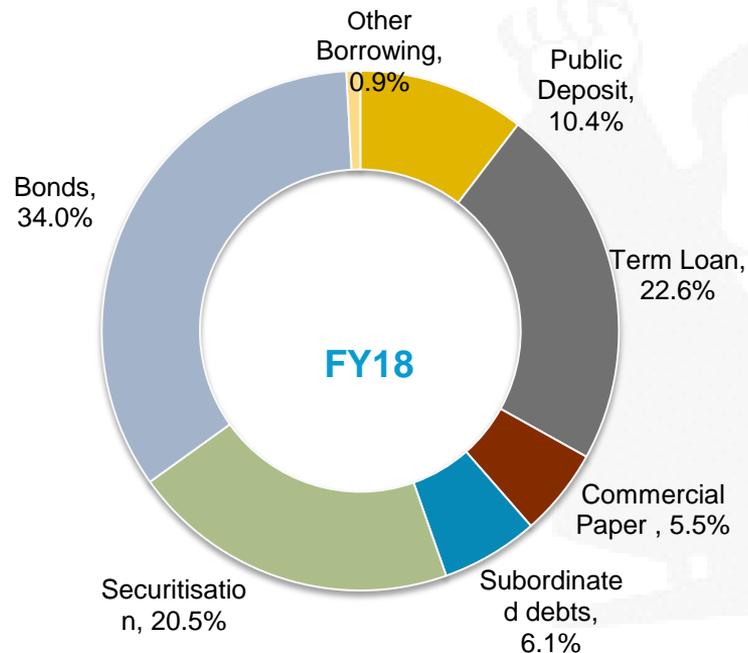
Reconciliation of Net Profit between Previous GAAP & Ind AS

Particulars (Rs. mn)	Jun-17	Sep-17	Dec-17	Mar-18	FY18
Net profit after tax as per Previous GAAP	4,486.8	4,791.1	4,956.3	1,446.0	15,680.2
Adoption of Effective Interest Rate (EIR) for amortisation of income and expenses - financial assets at amortised cost	-184.2	163.4	155.1	225.3	359.6
Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	-104.7	16.7	79	193.4	184.4
Expected Credit Loss	467.9	137.1	247.6	8300.9	9,153.5
Others	-65.6	-136.1	-22.7	-547.9	-772.3
Net profit/(loss) after tax as per Ind AS	4,600.2	4,972.2	5,415.3	9,617.7	24,605.4
Other comprehensive income (net of tax)	-3.3	-3.2	-3.2	-3.2	-12.9
Total comprehensive income as per Ind AS (attributable to owners of the Company)	4,596.9	4,969.0	5,412.1	9,614.5	24,592.5

Borrowing Profile as on Mar 31, 2019 vs Mar 31, 2018

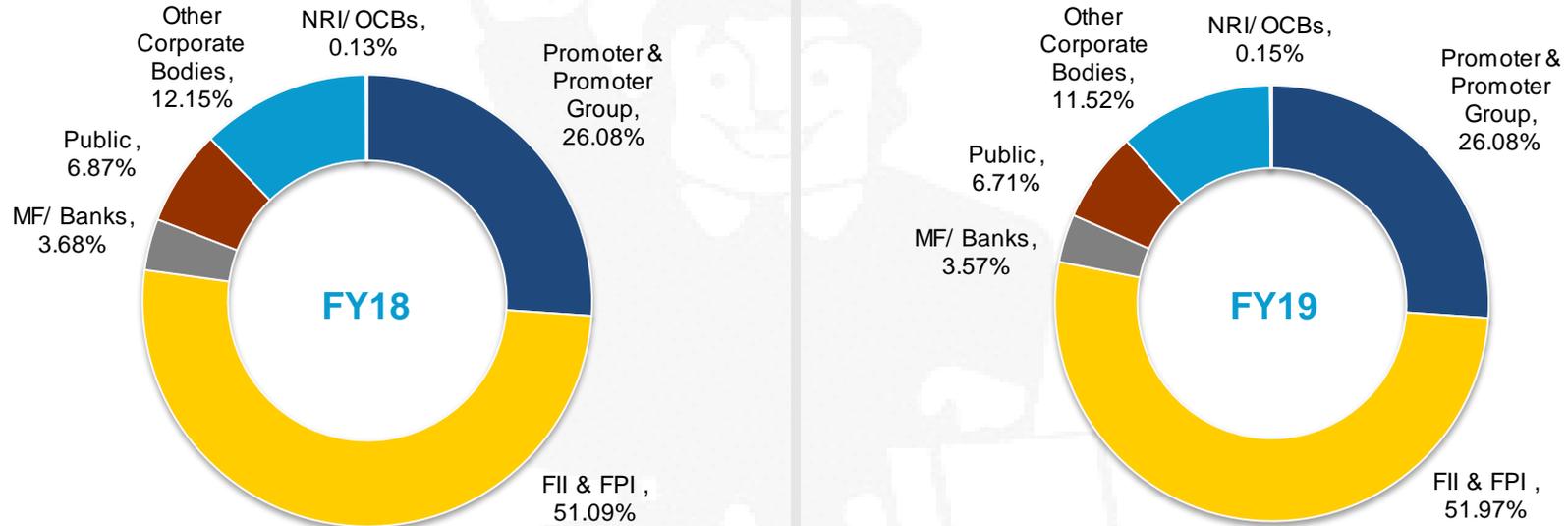
Rs 821.31 bn

Rs 879.68 bn



Shareholding Pattern as on Mar 31, 2019 vs Mar 31, 2018

No. of shares outstanding: 226.88 mn



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

Key Shareholders	Current Shareholding (Mn Shares)	%
Shriram Capital Limited	59.17	26.08
Piramal Enterprises Limited	22.60	9.96
Sanlam Life Insurance Limited	6.76	2.98
New World Fund Inc	4.29	1.89
Government Pension Fund Global	4.09	1.80
Societe Generale	3.62	1.60
Abu Dhabi Investment Authority -(Under sub accounts)	3.37	1.49
Smallcap World Fund, Inc	3.18	1.40
Government of Singapore	2.92	1.29
Generation IM Fund PLC-Generation IM Asia Fund	2.90	1.28
Public & Others	113.98	50.23
Total	226.88	100.00

**For any Investor Relations
queries please contact**

Sanjay K. Mundra
Shriram Transport Finance Co. Ltd
Email: smundra@stfc.in
Tel. No. +91-22-4095 9507

About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC in India with Assets on Balance sheet of Rs. 104,482.29 crores. The company is a leader in organized financing of pre-owned trucks with strategic presence in 5-10 year old trucks. It has a pan-India presence with a network of 1,545 branches, and employs 26,630 employees including 16,280 field officers. The company has built a strong customer base of approx. 2.03 mn. Over the past 39 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.



A WINNING RELATIONSHIP

Thank You