

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

October 24, 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, 5<sup>th</sup> 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 dated 19/10/2019 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**

Encl.:a/a.

**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, 3<sup>rd</sup> 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](http://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 – Q2 & H1 FY2020

October 24, 2019



# Performance Highlights – Q2 FY20 vs Q2 FY19

**Total Income**

**6.89%**



Q2 FY20

**Rs 42,198.2 mn**

Q2 FY19

Rs 39,477.5 mn

**Net Interest Income\***

**-0.69%**



Q2 FY20

**Rs 20,367.6 mn**

Q2 FY19

Rs 20,509.1 mn

\* including Direct assignment Income Rs. 38.90 Mn  
(Q2 FY19 Rs. -2.28 Mn)

**PAT**

**25.50%**



Q2 FY20

**Rs 7,650.5 mn**

Q2 FY19

Rs 6,095.8 mn

**EPS**

**25.54%**



Q2 FY20

**Rs 33.72**

Q2 FY19

Rs 26.86

# Performance Highlights – H1 FY20 vs H1 FY19

<b>Total Income</b>	<b>7.84%</b> ↑	H1 FY20	<b>Rs 82,814.7 mn</b>
		H1 FY19	Rs 76,790.6 mn

<b>Net Interest Income*</b>	<b>3.22%</b> ↑	H1 FY20	<b>Rs 39,985.0 mn</b>
		H1 FY19	Rs 38,738.0 mn

\* including Direct assignment Income Rs. 149.12 Mn  
(H1 FY19 Rs. -8.69 Mn)

<b>PAT</b>	<b>18.34%</b> ↑	H1 FY20	<b>Rs 13,993.0 mn</b>
		H1 FY19	Rs 11,824.8 mn

<b>EPS</b>	<b>18.36%</b> ↑	H1 FY20	<b>Rs 61.68</b>
		H1 FY19	Rs 52.11

# Performance Highlights – Q2 FY20 vs Q2 FY19

<b>AUM</b>	<b>3.58%</b> ↑	Q2 FY20	<b>Rs 1,081,202.4 mn</b>
		Q2 FY19	Rs 1,043,798.3 mn
<b>Gross Stage 3 assets</b>	<b>3.34%</b> ↑	Q2 FY20	<b>Rs 93,965.6 mn</b>
		Q2 FY19	Rs 90,924.9 mn
<b>Net Stage 3 assets</b>	<b>6.70%</b> ↑	Q2 FY20	<b>Rs 63,800.2 mn</b>
		Q2 FY19	Rs 59,793.8 mn
<b>Book Value</b>	<b>16.77%</b> ↑	Q2 FY20	<b>Rs 751.04</b>
		Q2 FY19	Rs 643.18

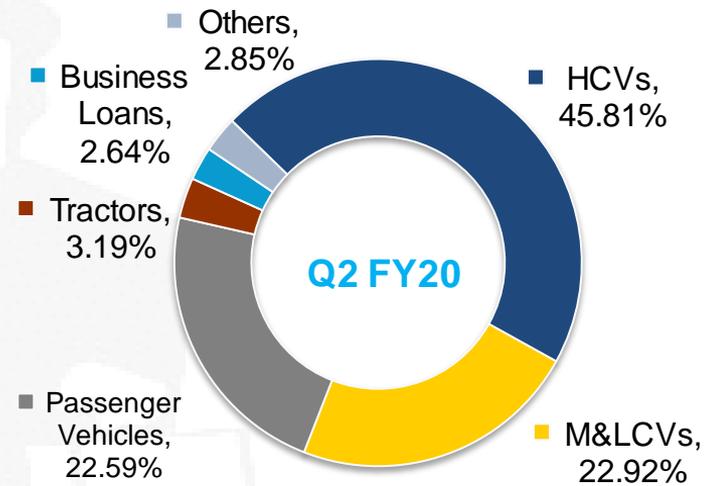
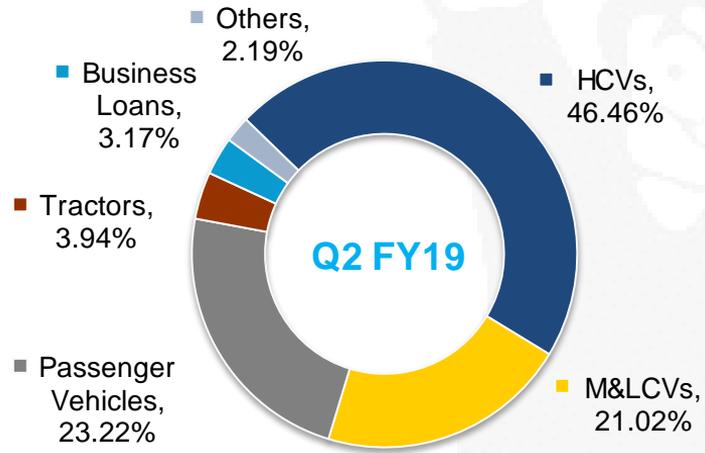
\* CRAR at 20.35% as of Q2 FY20 compared to 16.69% as of Q2 FY19.

# AUM Break-up

Particulars (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
<b>Loan Portfolio</b>									
- On Books									
Balance sheet assets	878,147.2	846,514.5	847,722.0	-3.46%	0.14%	878,147.2	847,722.0	-3.46%	850,847.3
Securitised assets	165,415.9	197,499.7	216,911.7	31.13%	9.83%	165,415.9	216,911.7	31.13%	172,227.7
<b>Total On books</b>	<b>1,043,563.1</b>	<b>1,044,014.2</b>	<b>1,064,633.7</b>	<b>2.02%</b>	<b>1.98%</b>	<b>1,043,563.1</b>	<b>1,064,633.7</b>	<b>2.02%</b>	<b>1,023,075.0</b>
- Off Books*	235.2	19,420.6	16,568.7	6944.52%	-14.68%	235.2	16,568.7	6944.52%	21,747.9
<b>Total AUM</b>	<b>1,043,798.3</b>	<b>1,063,434.8</b>	<b>1,081,202.4</b>	<b>3.58%</b>	<b>1.67%</b>	<b>1,043,798.3</b>	<b>1,081,202.4</b>	<b>3.58%</b>	<b>1,044,822.9</b>
- New	127,188.0	114,504.5	109,666.6	-13.78%	-4.23%	127,188.0	109,666.6	-13.78%	115,940.8
- Used	860,610.6	890,205.4	912,146.4	5.99%	2.46%	860,610.6	912,146.4	5.99%	870,499.7
- Business Loans	33,135.3	29,120.9	28,521.4	-13.92%	-2.06%	33,135.3	28,521.4	-13.92%	29,710.3
- Working capital loans	21,709.2	28,983.4	30,267.6	39.42%	4.43%	21,709.2	30,267.6	39.42%	28,073.1
- Others	1,155.2	620.6	600.4	-48.03%	-3.25%	1,155.2	600.4	-48.03%	599.0
<b>Total AUM</b>	<b>1,043,798.3</b>	<b>1,063,434.8</b>	<b>1,081,202.4</b>	<b>3.58%</b>	<b>1.67%</b>	<b>1,043,798.3</b>	<b>1,081,202.4</b>	<b>3.58%</b>	<b>1,044,822.9</b>

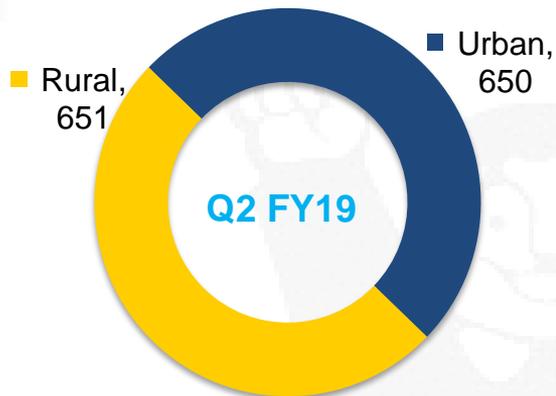
\*Off Books pertains to Direct assignment portfolio

# Segment-wise AUM Break up

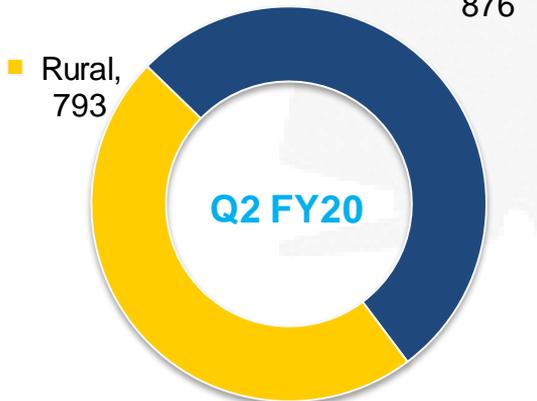


# Branch & AUM distribution – Q2 FY20 vs Q2 FY19

## Branch (Nos)

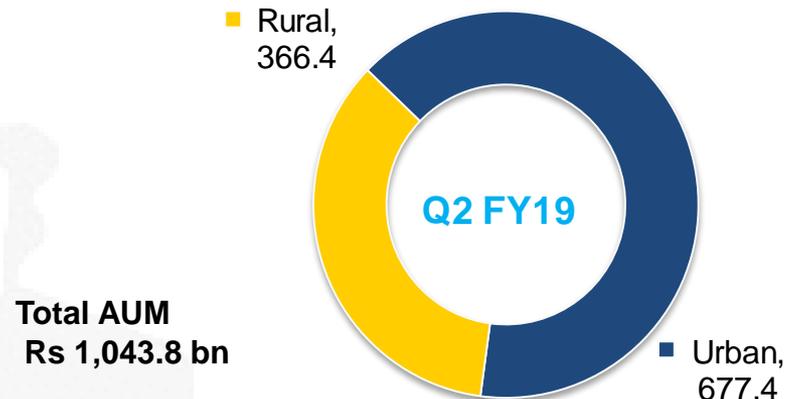


Total Branch 1,301

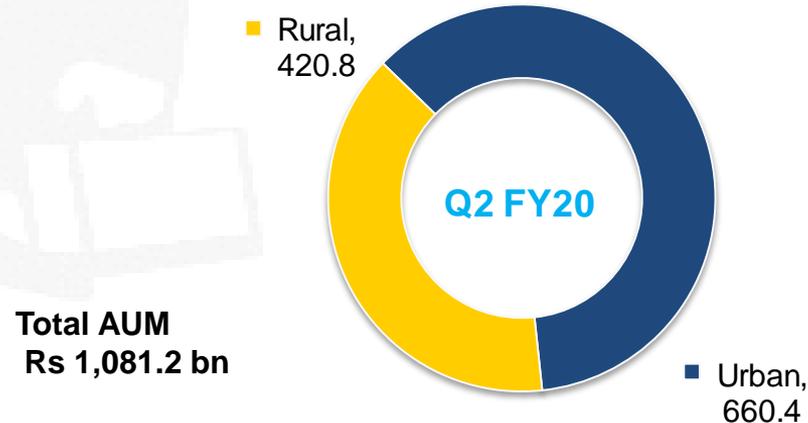


Total Branch 1,669

## AUM (Rs in bn)



Total AUM  
Rs 1,043.8 bn



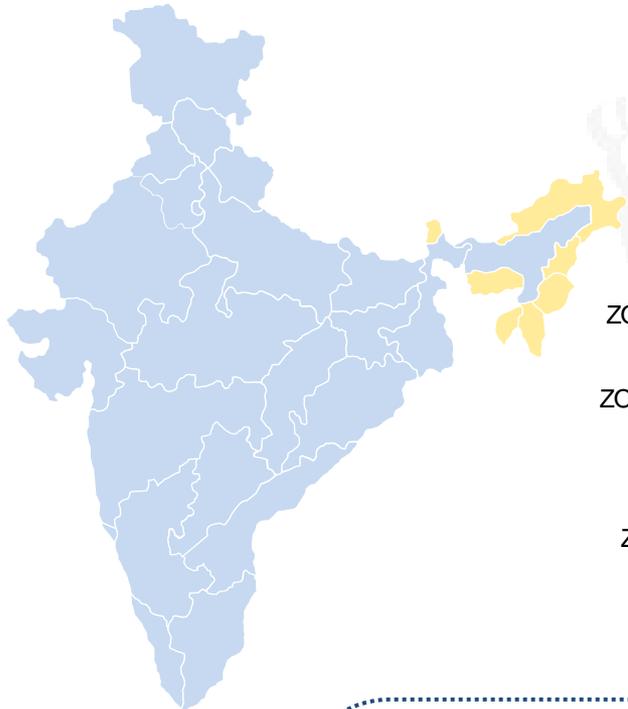
Total AUM  
Rs 1,081.2 bn

# Provision Analysis

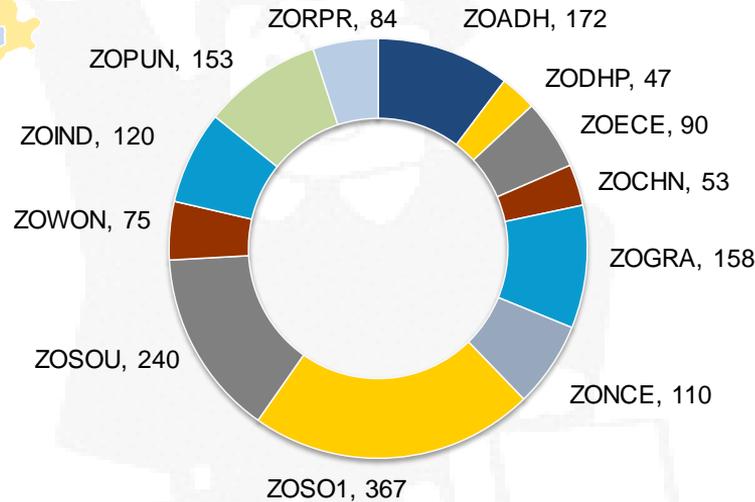
As per IND AS

Particulars (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Gross Stage 3	90,924.9	89,257.4	93,965.6	3.34%	5.27%	90,924.9	93,965.6	3.34%	86,222.7
ECL provision-Stage 3	31,131.1	28,405.7	30,165.4	-3.10%	6.19%	31,131.1	30,165.4	-3.10%	29,670.0
Net Stage 3	59,793.8	60,851.7	63,800.2	6.70%	4.85%	59,793.8	63,800.2	6.70%	56,552.7
Gross Stage 3 (%)	8.64%	8.52%	8.80%	1.86%	3.32%	8.64%	8.80%	1.86%	8.37%
Net Stage 3 (%)	5.85%	5.97%	6.15%	5.02%	3.02%	5.85%	6.15%	5.02%	5.65%
Coverage Ratio (%) Stage 3	34.24%	31.82%	32.10%	-6.24%	0.87%	34.24%	32.10%	-6.24%	34.41%
Gross Stage 1 & 2	961,726.0	958,894.9	974,057.2	1.28%	1.58%	961,726.0	974,057.2	1.28%	943,584.7
ECL provision-Stage 1 & 2	26,042.6	27,623.7	27,664.6	6.23%	0.15%	26,042.6	27,664.6	6.23%	26,037.0
Net Stage 1 & 2	935,683.4	931,271.2	946,392.6	1.14%	1.62%	935,683.4	946,392.6	1.14%	917,547.7
ECL provision (%) Stage 1 & 2	2.71%	2.88%	2.84%	4.88%	-1.41%	2.71%	2.84%	4.88%	2.76%

# Well-entrenched Pan India Network



## Regional Split of Branches



## ABBREVIATIONS

Zone	Zone Name
ZOADH	HYDERABAD ZONE
ZODHP	DELHI ZONE
ZOECE	RANCHI ZONE
ZOCHN	CHANDIGARH ZONE
ZOGRA	AHMEDABAD ZONE
ZONCE	LUCKNOW ZONE
ZOSO1	CHENNAI ZONE
ZOSOU	BANGALORE ZONE
ZOWON	KOLKATA ZONE
ZOIND	INDORE ZONE
ZOPUN	PUNE ZONE
ZORPR	RAIPUR ZONE

Branch Network

**1,669**

Branch Offices

**2.06mn**

Customers

**28,522**

Employees

**22,745**

Business Team

**500**

Private Financiers

**853**

Rural Centres

# P&L Statement

Particulars (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Interest income	39,184.0	40,014.6	41,128.6	4.96%	2.78%	76,300.5	81,143.2	6.35%	154,441.4
Interest expended	18,674.9	20,397.2	20,761.0	11.17%	1.78%	37,562.5	41,158.2	9.57%	76,366.0
Net interest income	20,509.1	19,617.4	20,367.6	-0.69%	3.82%	38,738.0	39,985.0	3.22%	78,075.4
Other Operating Income	59.0	131.5	192.1	225.59%	46.08%	100.8	323.7	221.13%	241.8
<b>Operating income</b>	<b>20,568.1</b>	<b>19,748.9</b>	<b>20,559.7</b>	<b>-0.04%</b>	<b>4.11%</b>	<b>38,838.8</b>	<b>40,308.7</b>	<b>3.78%</b>	<b>78,317.2</b>
Operating expenditure	4,515.8	4,464.5	4,926.0	9.08%	10.34%	8,864.2	9,390.5	5.94%	17,480.7
<b>Core operating profit *</b>	<b>16,052.3</b>	<b>15,284.4</b>	<b>15,633.7</b>	<b>-2.61%</b>	<b>2.29%</b>	<b>29,974.6</b>	<b>30,918.2</b>	<b>3.15%</b>	<b>60,836.5</b>
Other income	173.8	143.2	241.5	38.95%	68.65%	308.6	384.6	24.63%	768.8
<b>Operating profit</b>	<b>16,226.1</b>	<b>15,427.6</b>	<b>15,875.2</b>	<b>-2.16%</b>	<b>2.90%</b>	<b>30,283.2</b>	<b>31,302.8</b>	<b>3.37%</b>	<b>61,605.3</b>
Loan Losses & Provision	6,835.8	5,611.8	6,606.5	-3.35%	17.73%	12,062.5	12,218.3	1.29%	23,822.6
<b>Profit before tax</b>	<b>9,390.3</b>	<b>9,815.8</b>	<b>9,268.7</b>	<b>-1.29%</b>	<b>-5.57%</b>	<b>18,220.7</b>	<b>19,084.5</b>	<b>4.74%</b>	<b>37,782.7</b>
Tax Expense	3,294.5	3,473.3	1,618.2	-50.88%	-53.41%	6,395.9	5,091.5	-20.39%	12,142.8
<b>Profit after tax</b>	<b>6,095.8</b>	<b>6,342.5</b>	<b>7,650.5</b>	<b>25.50%</b>	<b>20.62%</b>	<b>11,824.8</b>	<b>13,993.0</b>	<b>18.34%</b>	<b>25,639.9</b>
<b>Other comprehensive Income (Net)</b>	<b>-0.7</b>	<b>-30.1</b>	<b>-14.2</b>	<b>1928.57%</b>	<b>-52.82%</b>	<b>-12.5</b>	<b>-44.3</b>	<b>254.40%</b>	<b>-23.2</b>
<b>Total Comprehensive Income</b>	<b>6,095.1</b>	<b>6,312.4</b>	<b>7,636.3</b>	<b>25.29%</b>	<b>20.97%</b>	<b>11,812.3</b>	<b>13,948.7</b>	<b>18.09%</b>	<b>25,616.7</b>
<b>EPS (Rs)</b>	<b>26.86</b>	<b>27.96</b>	<b>33.72</b>	<b>25.54%</b>	<b>20.60%</b>	<b>52.11</b>	<b>61.68</b>	<b>18.36%</b>	<b>113.01</b>
<b>Tier I CRAR %</b>	<b>14.27%</b>	<b>15.88%</b>	<b>16.31%</b>	<b>14.30%</b>	<b>2.71%</b>	<b>14.27%</b>	<b>16.31%</b>	<b>14.30%</b>	<b>15.62%</b>
<b>Tier II CRAR %</b>	<b>2.42%</b>	<b>4.20%</b>	<b>4.04%</b>	<b>66.94%</b>	<b>-3.81%</b>	<b>2.42%</b>	<b>4.04%</b>	<b>66.94%</b>	<b>4.65%</b>
<b>Total CRAR %</b>	<b>16.69%</b>	<b>20.08%</b>	<b>20.35%</b>	<b>21.93%</b>	<b>1.34%</b>	<b>16.69%</b>	<b>20.35%</b>	<b>21.93%</b>	<b>20.27%</b>
<b>Book Value (Rs)</b>	<b>643.18</b>	<b>717.38</b>	<b>751.04</b>	<b>16.77%</b>	<b>4.69%</b>	<b>643.18</b>	<b>751.04</b>	<b>16.77%</b>	<b>697.99</b>

\*Before Provisions & Contingencies

# Balance Sheet

Particulars (Rs. mn)	Sep-18	Jun-19	Sep-19	YoY (%)	QoQ (%)	Mar-19
<b>I. ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	3,619.7	31,379.3	7,564.7	108.99%	-75.89%	10,291.4
Bank Balance other than above	24,178.6	34,260.2	38,038.2	57.32%	11.03%	29,523.3
Derivative financial instruments	29,109.2	127.3	1,718.4	-94.10%	1249.88%	217.2
Receivables						
(I) Trade Receivables	71.2	38.0	116.2	63.20%	205.79%	84.8
(II) Other Receivables	165.6	220.5	29.9	-81.94%	-86.44%	199.4
Loans	986,594.2	988,118.4	1,006,913.7	2.06%	1.90%	967,514.9
Investments	23,455.8	26,300.7	27,573.8	17.56%	4.84%	39,990.7
Other Financial assets	423.7	433.9	397.5	-6.18%	-8.39%	417.6
<b>Non Financial assets</b>						
Current tax assets (net)	840.6	1,065.8	3,815.6	353.91%	258.00%	1,065.8
Deferred tax assets (net)	712.9	703.9	311.3	-56.33%	-55.77%	757.0
Investment Property	20.7	20.6	20.5	-0.97%	-0.49%	20.6
Property, plant and equipment	1,238.6	1,378.5	1,464.4	18.23%	6.23%	1,434.6
Right of use assets	-	3,457.6	3,461.2	0.00%	0.10%	-
Other Intangible assets	23.8	17.2	21.9	-7.98%	27.33%	19.7
Other non financial assets	1,514.7	1,434.9	1,504.5	-0.67%	4.85%	1,387.8
<b>Total</b>	<b>1,071,969.3</b>	<b>1,088,956.8</b>	<b>1,092,951.8</b>	<b>1.96%</b>	<b>0.37%</b>	<b>1,052,924.8</b>

# Balance Sheet (Continued)

Particulars (Rs. mn)	Sep-18	Jun-19	Sep-19	YoY (%)	QoQ (%)	Mar-19
<b>II. Liabilities and Equity</b>						
<b>Financial Liabilities</b>						
Derivative financial instruments	28,582.7	1,351.0	225.0	-99.21%	-83.35%	834.2
Trade Payables	2,255.9	1,304.1	1,779.0	-21.14%	36.42%	2,036.3
Debt Securities	350,434.8	350,153.1	310,771.1	-11.32%	-11.25%	341,817.6
Borrowings (other than debt security)	392,049.5	383,609.7	419,483.1	7.00%	9.35%	371,893.0
Deposits	91,939.1	110,576.4	114,504.5	24.54%	3.55%	103,414.6
Subordinated Liabilities	47,511.4	61,705.7	61,174.9	28.76%	-0.86%	62,018.8
Other Financial liabilities	5,792.5	6,329.1	6,098.7	5.29%	-3.64%	7,313.0
Lease liabilities	-	3,577.1	3,640.6	-	1.78%	-
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	2,949.7	1,784.5	1,024.8	-65.26%	-42.57%	1,029.7
Provisions	1,446.5	3,344.3	1,411.8	-2.40%	-57.78%	1,332.6
Other non-financial liabilities	3,081.2	2,461.3	2,441.5	-20.76%	-0.80%	2,872.2
<b>Equity</b>						
Equity share capital	2,269.0	2,268.8	2,268.8	-0.01%	0.00%	2,269.0
Other equity	143,657.0	160,491.7	168,128.0	17.03%	4.76%	156,093.8
<b>Total</b>	<b>1,071,969.3</b>	<b>1,088,956.8</b>	<b>1,092,951.8</b>	<b>1.96%</b>	<b>0.37%</b>	<b>1,052,924.8</b>

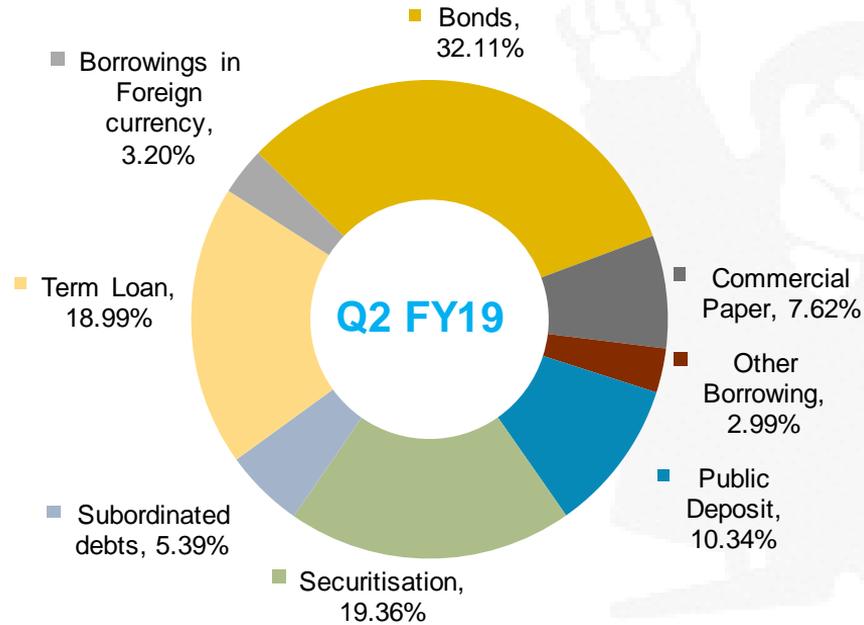
# Key Metrics – Q2 FY20

P&L Metrics (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Interest Income	39,184.0	40,014.6	41,128.6	4.96%	2.78%	76,300.5	81,143.2	6.35%	154,441.4
Less: Interest Expenses	18,674.9	20,397.2	20,761.0	11.17%	1.78%	37,562.5	41,158.2	9.57%	76,366.0
<b>Net Interest Income</b>	<b>20,509.1</b>	<b>19,617.4</b>	<b>20,367.6</b>	<b>-0.69%</b>	<b>3.82%</b>	<b>38,738.0</b>	<b>39,985.0</b>	<b>3.22%</b>	<b>78,075.4</b>
Other Income	232.8	274.7	433.6	86.25%	57.84%	409.4	708.3	73.01%	1,010.6
<b>Profit After Tax</b>	<b>6,095.8</b>	<b>6,342.5</b>	<b>7,650.5</b>	<b>25.50%</b>	<b>20.62%</b>	<b>11,824.8</b>	<b>13,993.0</b>	<b>18.34%</b>	<b>25,639.9</b>
EPS (Rs.)	26.86	27.96	33.72	25.54%	20.60%	52.11	61.68	18.36%	113.01
Cost to income Ratio (%)	21.32%	21.78%	23.16%	8.59%	6.33%	22.13%	22.48%	1.59%	21.49%
NIM (on AUM)	7.52%	7.16%	7.19%	-4.39%	0.40%	7.48%	7.17%	-4.13%	7.41%

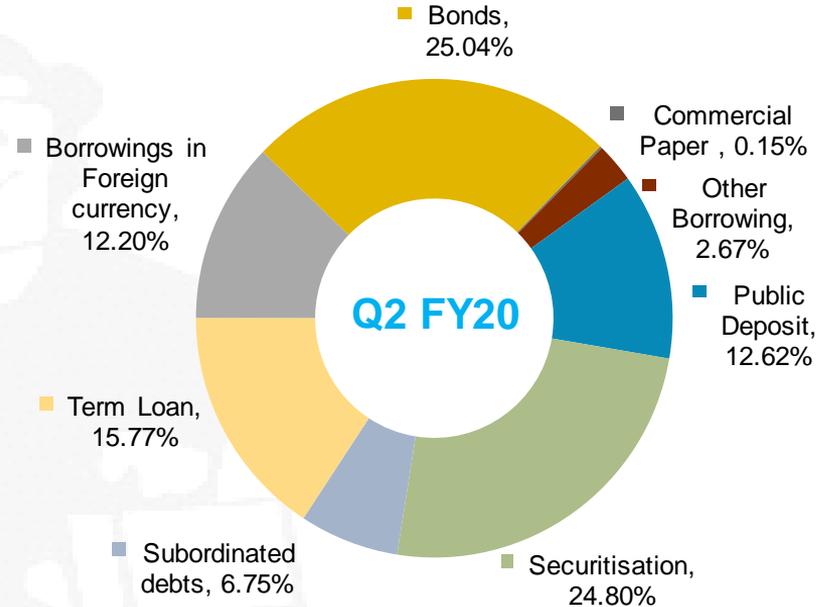
Balance Sheet Metrics (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Networth	145,649.8	162,484.5	170,120.4	16.80%	4.70%	145,649.8	170,120.4	16.80%	158,086.6
Book Value (Rs.)	643.18	717.38	751.04	16.77%	4.69%	643.18	751.04	16.77%	697.99
Interest Coverage (x)	2.11	1.97	1.99	-5.45%	1.21%	2.04	1.98	-2.88%	2.03
ROA (%)	2.22%	2.26%	2.67%	20.18%	18.49%	2.21%	2.47%	11.78%	2.33%
ROE (%)	16.97%	15.80%	18.37%	8.27%	16.26%	16.75%	17.11%	2.12%	17.52%
CRAR (%)	16.69%	20.08%	20.35%	21.93%	1.34%	16.69%	20.35%	21.93%	20.27%

# Borrowing Profile as on Sep 30, 2019 vs Sep 30, 2018

Rs 881.93 bn

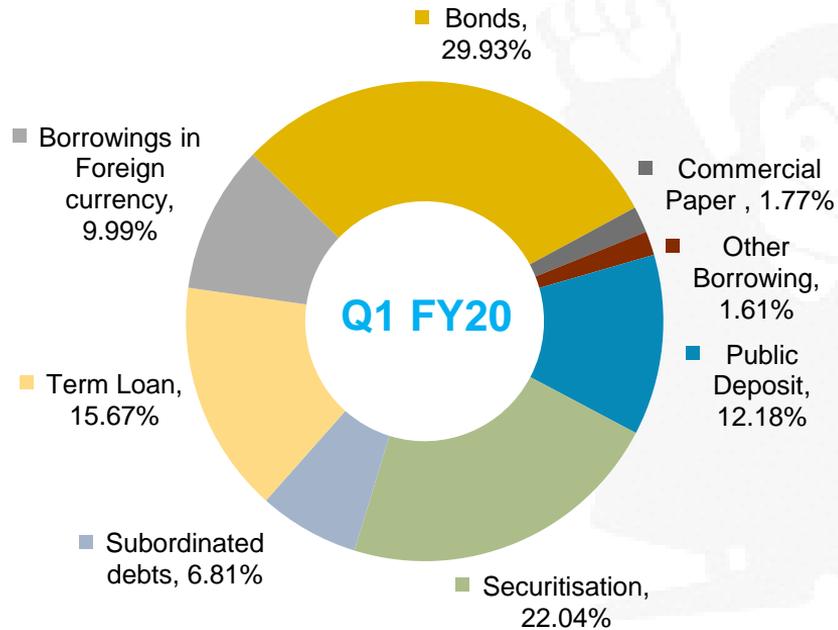


Rs 905.93 bn

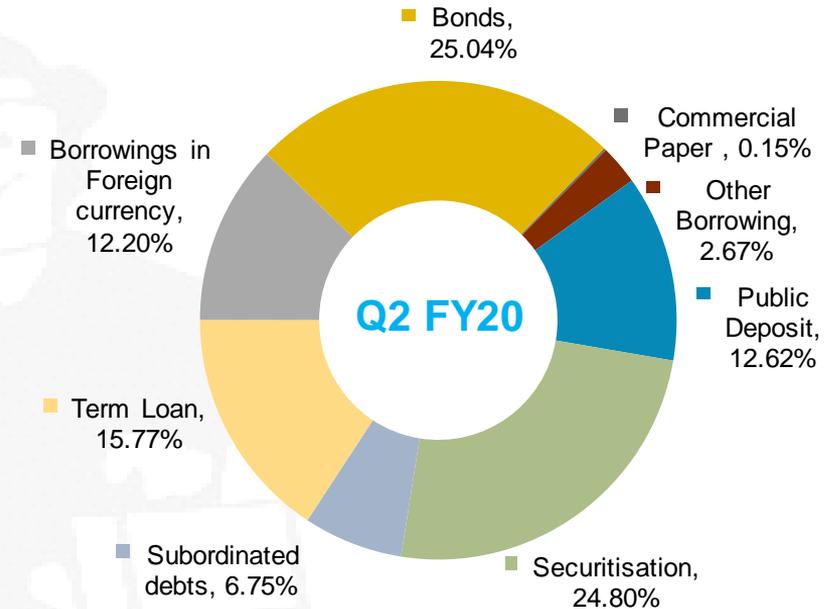


# Borrowing Profile as on Sep 30, 2019 vs June 30, 2019

Rs 906.04 bn

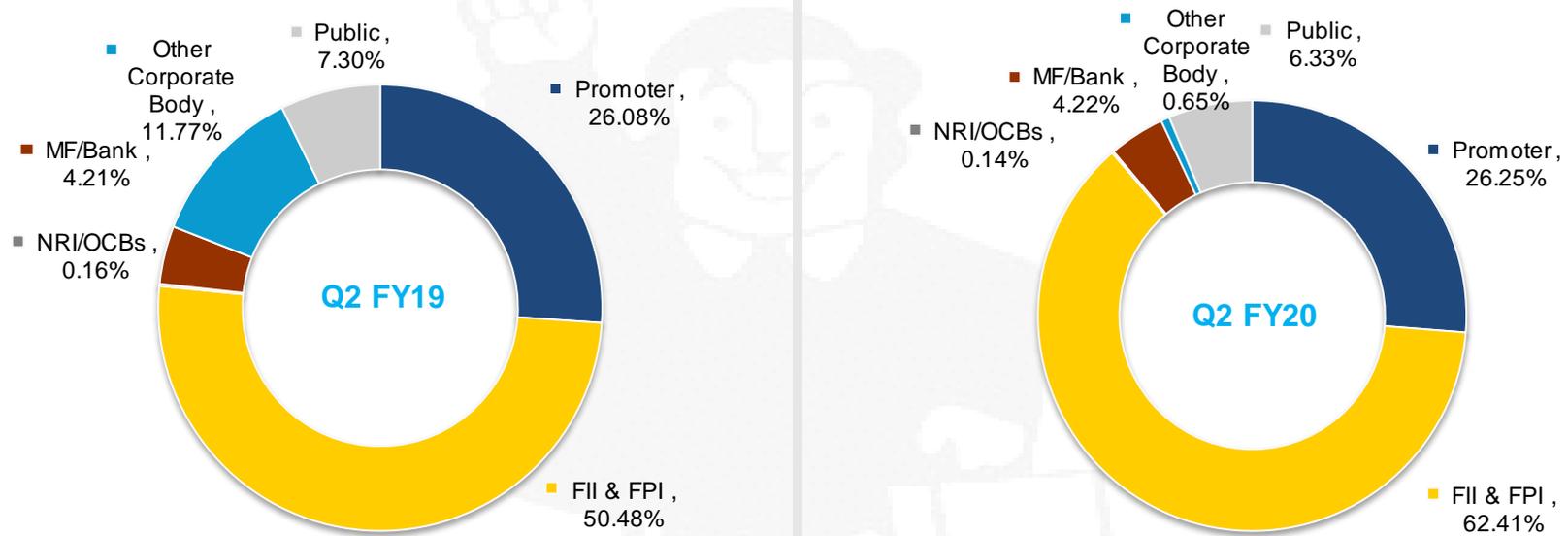


Rs 905.93 bn



# Shareholding Pattern as on Sep 30, 2019 vs Sep 30, 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	59.50	26.23
Sanlam Life Insurance Limited	6.76	2.98
Government Pension Fund Global	4.96	2.19
Fidelity Investment Trust Fidelity Series Emerging Markets	4.18	1.84
Investec Global Strategy Fund - Asian Equity Fund	3.65	1.61
Abu Dhabi Investment Authority -(Under Various sub accounts)	3.62	1.60
Generation IM Fund PLC-Generation IM Asia Fund	3.50	1.54
T. Rowe Price New Asia Fund	3.17	1.40
Government Of Singapore	3.12	1.38
HDFC Trustee Company - HDFC Capital Builder Value Fund	3.04	1.34
Public & Others	131.38	57.89
<b>Total</b>	<b>226.88</b>	<b>100.00</b>

**For any Investor Relations  
queries please contact**

Sanjay K. Mundra  
Shriram Transport Finance Co. Ltd  
Email: [smundra@stfc.in](mailto: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 under management Rs. 108,120.24 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 1,669 branches, and employs 28,522 employees including 22,745 Business Team. The company has built a strong customer base of approx. 2.06 mn. Over the past 40 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.



A WINNING RELATIONSHIP

Thank You