



# SHRIRAM

Commercial Vehicle Finance

GETS YOU GOING



# Shriram Transport Finance Company Ltd

Corporate Presentation – December 2017

**Company Overview**



**Business Model/Competitive Strengths**



**Market Dynamics & Growth Strategy**



**Organizational Structure**



**Performance Track Record**



**Recent Performance – Q3 FY18**



# COMPANY OVERVIEW



**Leading** player in organized high yield pre-owned CV financing segment

**Diversified Portfolio** – PCV's, Construction Equipment, Tractor Financing, Automall

Over **1.71 mn** customers

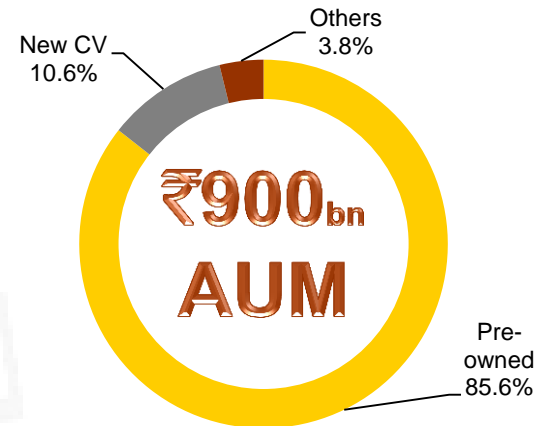
Large network of **1121** Branch offices and **930** rural centres

Tie up with over **500** Private Financiers

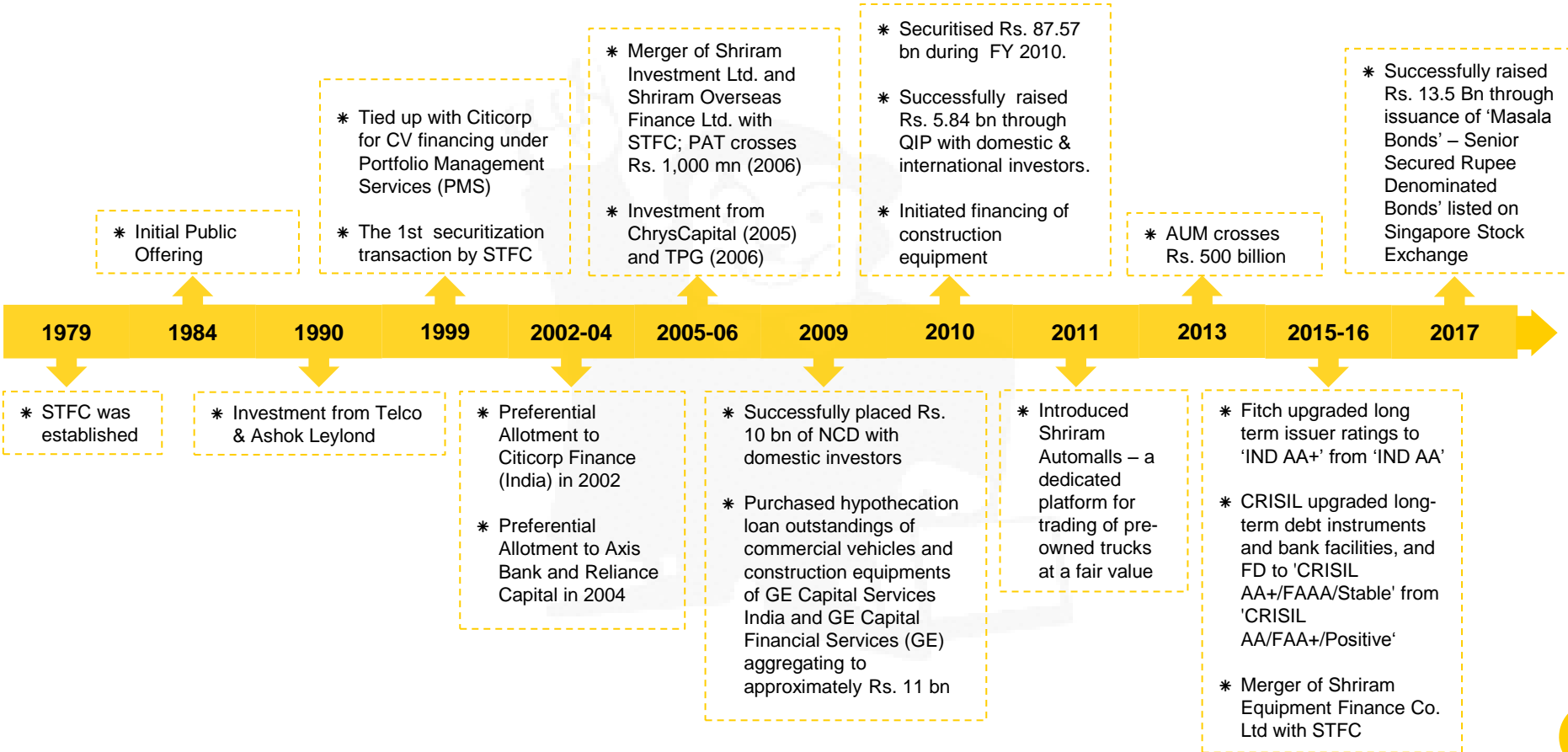
**22,967** Employees including **14,497** Field officers

Market Capitalization of ~ **Rs. 336 billion**

FII holding of **51.34%**



# Corporate History





# BUSINESS MODEL / COMPETITIVE STRENGTHS



# Strategic Presence In High Yield Used CV Segment

## CV Financing Business Model

### Pre-Owned

### New

Age of Truck

1 2 3 4 5 6 7 8 9 10 11 12

Lending Rates

15-16%

18-24%

14-16%

Target Segment

\* Small truck owners (less than 5 trucks) with underdeveloped banking habits

\* Existing customer base upgrading to new trucks

Performance

\* AUM of approximately Rs. 770.47 bn at the end of Q3 FY18

\* AUM of approximately Rs. 95.08 bn at the end of Q3 FY18

Vehicles Sold  
(Industry Data)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
LCV	200,699	287,777	361,846	460,831	524,887	432,233	382,206	383,307	411,703
MHCV	183,495	244,944	323,059	348,701	268,263	200,618	232,755	302,397	302,529
<b>Total</b>	<b>384,194</b>	<b>532,721</b>	<b>684,905</b>	<b>809,532</b>	<b>793,150</b>	<b>632,851</b>	<b>614,961</b>	<b>685,704</b>	<b>714,232</b>

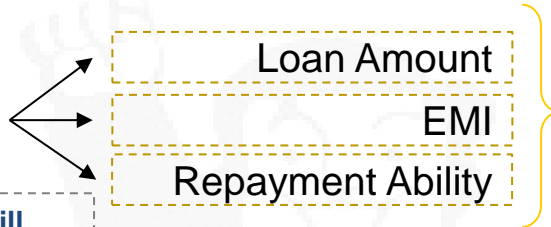
# Valuation Expertise & Relationship Based Model

## Knowledge Driven Valuation Model

### Critical Success Factor



STFC has right mix of scale and skill  
Awareness of load structure / business mix



### Vehicle Assessment

Old CVs	60-70% LTV Ratio
New CVs	75-80% LTV Ratio

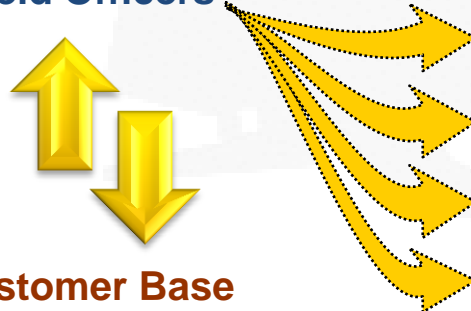
## Relationship Based Recovery Model

### Field Officers

Compulsory monthly visits  
Managing large cash collections

Small Truck Operators  
Underdeveloped banking habits

### Customer Base



Loan Origination

Inspection & Valuation

Financing

Collection / Repossession

**Well-aligned  
incentives  
structure**

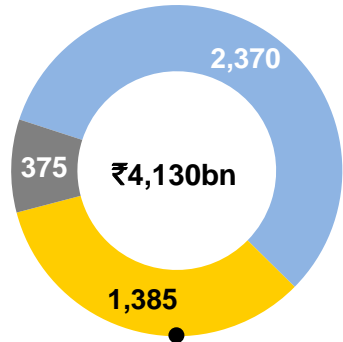


# MARKET DYNAMICS & GROWTH STRATEGY

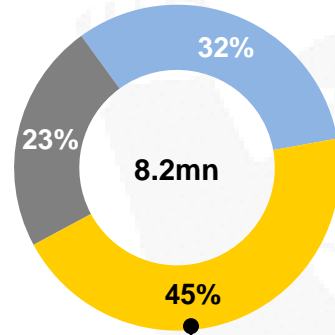


# Strong Industry Potential – Commercial Vehicles

Market Potential (Rs. bn)



Trucks (mn)

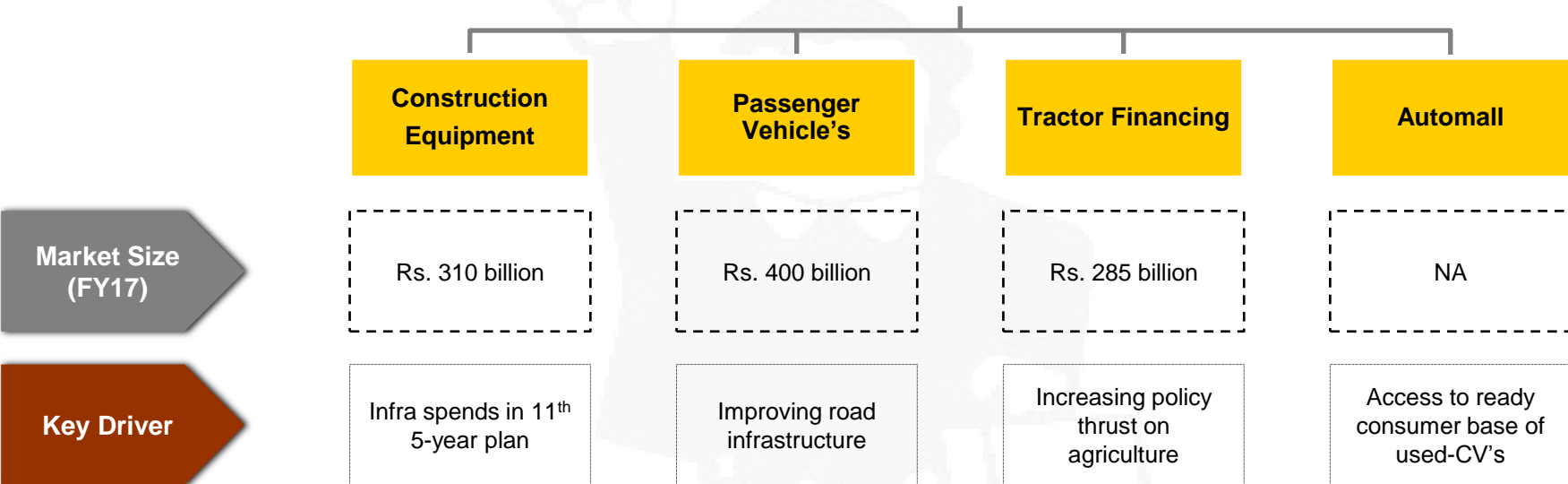


**STFC TARGET SEGMENT  
LARGEST ORGANIZED  
PLAYER**

■ 0-4 years ■ 5-10 years ■ 10+ years

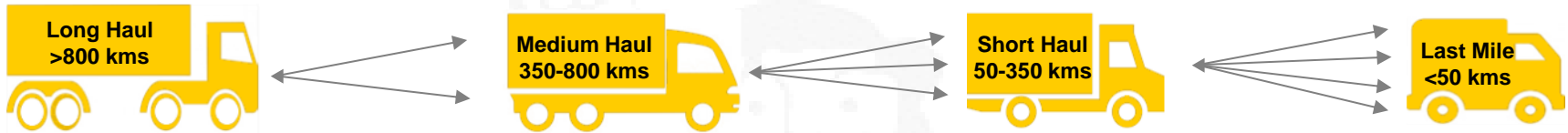
- \* Market for second hand truck financing is under penetrated with 60-65% of the market with private financiers who charge high interest rates
- \* Stringent traffic regulations in major cities limiting movement of higher tonnage vehicles
- \* Financing amount of Rs. 1,350 bn to be triggered through replacement demand for 1.35 mn new as well as pre-owned trucks
- \* Stricter emission norms and legislative pressure on banning trucks > 15 years to trigger replacement demand
- \* Freight capacity expected to grow at 1.25x GDP growth going forward
- \* STFC to benefit from exponential growth for cargo LCV's with increased penetration into rural areas

## Portfolio



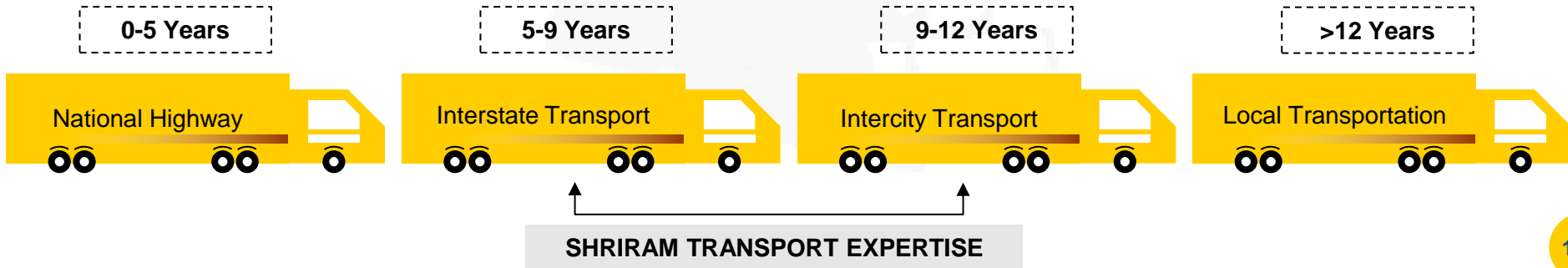
# Transportation Model – Multiple Financing Opportunities

## Hub and Spoke Transportation Model



Load re-distributed from few large hubs in major regions of the country to large number of touch points in the hinterland

## CV Life Cycle: Multiple Financing Opportunities



- \* Strengthening presence and expanding reach
- \* Increase penetration into rural and urban centres
- \* Build partnerships with private financiers in the unorganized market to leverage their local know-how to enhance market share



- \* Introduction of top-up products like finance for tyres, working capital and engine replacement
- \* Economies of scale - incremental cost of new products is low
- \* Opex to AUM low at 1.6%

**CONSERVATIVE APPROACH IN LIGHT OF CHALLENGING MACROECONOMIC CONDITIONS**

*AUM expected to grow to ~Rs. 1,100 billion by end of FY19*

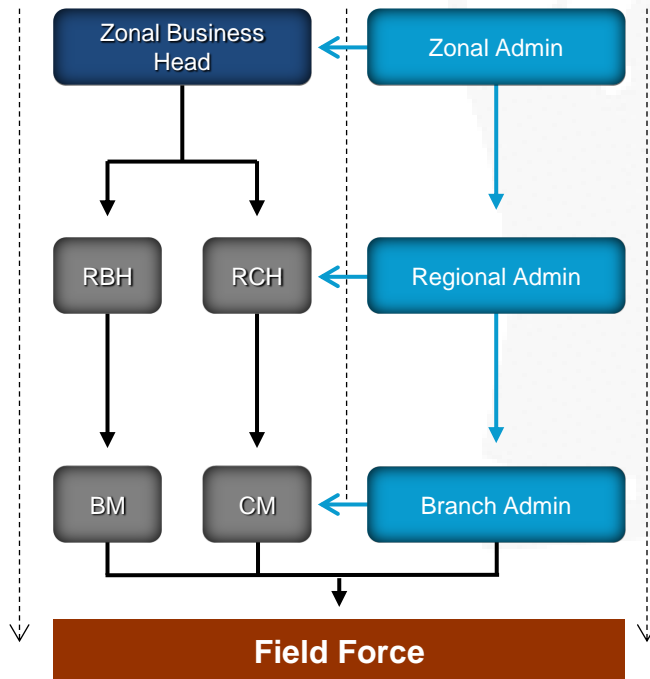
# ORGANIZATIONAL STRUCTURE, MANAGEMENT TEAM & BOARD OF DIRECTOR'S





# Organizational Framework Aligned to Mitigate Credit Risk

## Tri-Vertical Structure Credit, Admin and Products

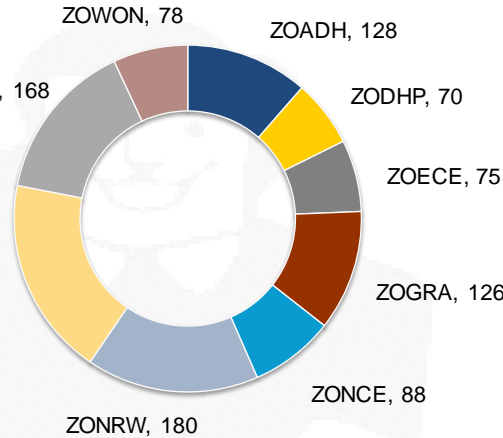
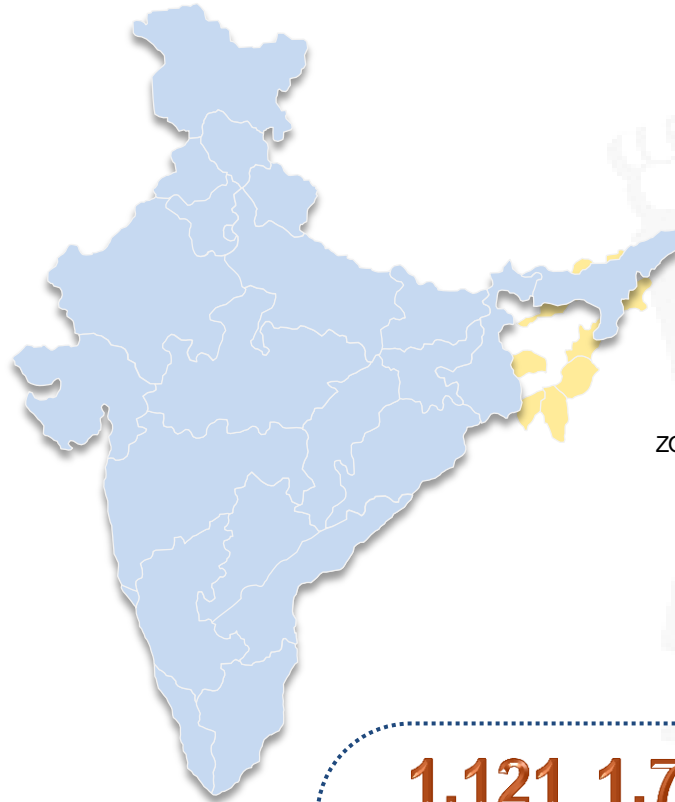


## Focus on

- \* Marketing and sales of existing products
- \* Extensive training and development of product executives
- \* Development of new products
- \* Ensuring quality appraisals
- \* Branch administration

# Well-entrenched Pan India Network

## Regional Split of Branches



## ABBREVIATIONS

Zone	Zone Name
ZOADH	HYDERABAD ZONE
ZODHP	NORTH II - DELHI ZONE
ZOECE	EAST CENTRAL ZONE
ZOGRA	WEST II - AHMEBABAD ZONE
ZONCE	NORTH I - LUCKNOW ZONE
ZONRW	WEST I - MUMBAI ZONE
ZOSO1	SOUTH I - CHENNAI ZONE
ZOSOU	SOUTH II - BANGALORE ZONE
ZOWON	EAST - CALCUTTA ZONE

Branch Network

**1,121** Branch Offices    
 **1.71 mn** Customers    
 **22,967** Employees    
 **14,497** Field Officers    
 **500** Private Financiers    
 **930** Rural Centres

# Professional Management Team with Vast Industry Experience

## **Umesh Revankar** MD & CEO

- Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 29 years and has shouldered various responsibilities and worked in several key roles of business operations.
- Holds a degree in MBA Finance.

## **Parag Sharma** Executive Director & CFO

- Over 27 years experience in finance industry.
- Joined in 1995 and now heads the Finance function, a qualified Cost Accountant.

## **S. Sunder** Executive Director Accounts & Admin

- Over 27 years experience in finance industry.
- Joined in 1995 and now heads the Accounts and Administration function, a qualified Cost Accountant.

## **Sanjay K Mundra** Sr. Vice President Investor and Media Relations

- Over 24 years experience in the finance Industry.
- Joined in 2007, a qualified Company Secretary.

# Board of Directors

## **Subramanian Lakshminarayanan Chairman**

- Member of Indian Administrative Service (IAS – retired).
- Served at senior positions in the Ministry of Home Affairs, Ministry of Communication & IT etc.

## **Umesh Revankar MD & CEO**

- Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 29 years and has shouldered various responsibilities and worked in several key roles of business operations.
- Holds a degree in MBA Finance.

## **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.

## **Amitabh Chaudhry Director**

- Over two decades of experience in financial services, MBA from IIM Ahmedabad & B. Tech from BITS, Pilani.
- Holds directorship in HDFC Standard Life Insurance Co. Ltd., HDFC Pension Management Co. Ltd., Manipal Global Education Services Pvt. Ltd, Manipal Education Americas, LLC, HDFC Credila Financial Services Private Limited and HDFC International Life and Re Company Ltd.

## **D V Ravi Director**

- Joined CV Finance business of Shriram Group in 1992 as Head of Investment Servicing.
- Currently serves as Managing Director of Shriram Capital Ltd.
- Spearheaded several successful M&A's for TAKE.
- Started his career in Strategy and Finance in 1987 with Karnataka Oil Seeds Federation, Bangalore.
- Commerce graduate from University of Bangalore and holds PG Diploma in Management from the Institute of Rural Management, Anand (IRMA).

# Board of Directors (Contd.)

## **Mrs Kishori Udeshi** Director

- Holds degree in MA in Economics. First woman Deputy Governor of RBI and also on the Board of SEBI, NABARD & EXIM Bank.
- Holds directorship in HSBC Asset Management (India) Pvt. Ltd, ION Exchange (India) Ltd., HALDYN Glass Ltd., Thomas Cook (India) Ltd., Elantas Beck India Ltd., Shriram Automall India Limited and SOTC Travel Services Pvt. Ltd.

## **Puneet Bhatia** Director

- MD and Country Head of TPG Capital – 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.

## **Sumatiprasad M Bafna** Director

- Has extensive experience in the automobile industry.
- 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, Kishor Transport Services Pvt. Ltd.

## **Gerrit Lodewyk Van Heerde** Director

- Chief Financial Officer of Sanlam Emerging Markets.
- Has 26 years of experience in the financial services industry and has represented Sanlam at various other boards.

# PERFORMANCE TRACK RECORD





# Strong Financial Track Record

P&L Metrics (Rs. mn)	FY12	FY13	FY14	FY15	FY16	FY17
Interest Income	36,659.4	44,970.5	62,865.1	77,779.0	95,300.1	98,013.0
Securitization income	20,075.2	18,057.1	12,796.3	7,379.1	6,653.2	9,292.8
<b>Total Interest Income</b>	<b>56,734.6</b>	<b>63,027.6</b>	<b>75,661.4</b>	<b>85,158.1</b>	<b>101,953.3</b>	<b>107,305.8</b>
Less: Interest Expenses	24,473.3	28,491.5	38,981.8	44,028.7	50,743.8	52,094.0
<b>Net Interest Income</b>	<b>32,261.3</b>	<b>34,536.1</b>	<b>36,679.6</b>	<b>41,129.4</b>	<b>51,209.5</b>	<b>55,211.8</b>
Other income	1,344.8	1,942.2	1,502.1	754.0	761.6	758.3
<b>Profit After Tax</b>	<b>12,574.5</b>	<b>13,606.2</b>	<b>12,642.1</b>	<b>12,378.1</b>	<b>11,782.0</b>	<b>12,573.4</b>
EPS (Rs.)	55.59	59.98	55.72	54.56	51.93	55.42
Cost to income Ratio (%)	20.62%	20.88%	24.12%	23.46%	23.79%	21.15%
<b>NIM (% on AUM)</b>	<b>7.51%</b>	<b>7.46%</b>	<b>6.68%</b>	<b>6.61%</b>	<b>7.27%</b>	<b>7.16%</b>

**Note:** The standalone financials for FY16 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

# Strong Financial Track Record

Balance Sheet Metrics (Rs. mn)	FY12	FY13	FY14	FY15	FY16	FY17
- On Books	219,922.6	314,568.3	364,877.6	492,271.4	618,783.7	654,628.7
- Off Books	182,261.4	182,321.8	166,284.3	98,811.4	108,822.3	132,980.6
<b>Total AUM</b>	<b>402,184.0</b>	<b>496,890.1</b>	<b>531,161.9</b>	<b>591,082.8</b>	<b>727,606.0</b>	<b>787,609.3</b>
- New	90,857.0	95,269.0	62,499.0	46,802.0	75,715.1	79,188.7
- Used	310,424.0	398,279.0	465,540.0	537,421.0	651,348.4	708,110.1
- Others	903.0	3,342.1	3,122.9	6,859.8	542.5	310.5
<b>Total AUM</b>	<b>402,184.0</b>	<b>496,890.1</b>	<b>531,161.9</b>	<b>591,082.8</b>	<b>727,606.0</b>	<b>787,609.3</b>
Securitisation done	83,461.0	87,843.0	106,795.0	44,814.0	89,917.5	112,142.0
Networth	59,528.1	71,593.7	82,295.7	92,010.7	101,317.8	112,921.6
Book Value (Rs.)	263.05	315.58	362.72	405.54	446.56	497.71
Interest Coverage Ratio (x)	2.41	2.31	1.99	1.96	2.03	2.08
ROA (%)	3.75%	3.61%	2.64%	2.28%	1.86%	1.76%
ROE (%)	22.82%	20.53%	16.20%	14.03%	11.99%	11.61%
CRAR (%)	22.26%	20.74%	23.37%	20.52%	17.56%	16.94%

**Note:** The standalone financials for FY16 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

# Healthy Asset Quality

Particulars (Rs. mn)	FY12	FY13	FY14	FY15	FY16	FY17
Gross NPA	6,937.9	10,253.7	14,505.0	18,941.4	38,702.4	54,084.4
Net NPA	977.3	2,416.4	3,029.1	3,791.2	11,437.0	16,590.0
Gross NPA (%)	3.06%	3.20%	3.86%	3.80%	6.18%	8.16%
Net NPA (%)	0.44%	0.77%	0.83%	0.79%	1.91%	2.65%
Coverage Ratio (%)	85.91%	76.43%	79.12%	79.98%	70.45%	69.33%

- \* Client and truck-wise exposure limits
- \* Substituted formal credit evaluation tools, such as IT returns and bank statements, with personal understanding of the customers' proposed business model
- \* Field officers responsible for loans they originate
- \* Relationship based model
  - Focused on earning capacity of asset
- \* Assets are easy to repossess with immediate liquidity
  - Asset backed lending with adequate cover
  - Repossession last resort

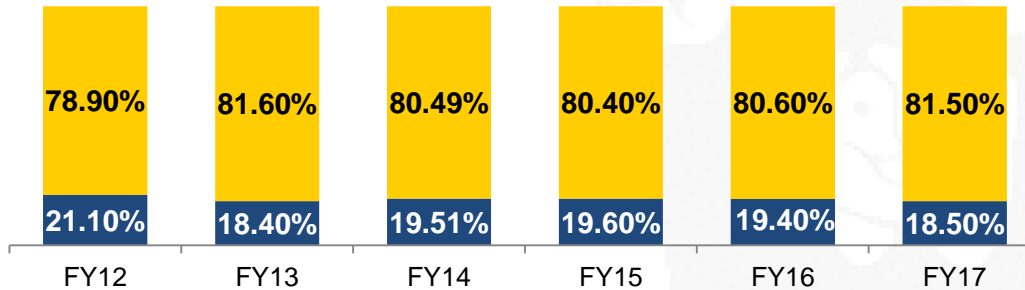
- \* NPA recognition on a 150 dpd basis upto Q3 FY17
- \* Have transitioned to NPA recognition on a 120 dpd basis from Q4 FY17
- \* Pursuant to the amalgamation of Shriram Equipment Finance Co. Ltd. – NPA (on 150 dpd basis) of Rs. 8.94 billion have been included in the standalone financials (for FY16)
- \* Coverage ratio maintained at ~70% despite transitioning to 120 dpd recognition

**Note:** The standalone financials for FY16 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

# Access to Low Cost Funds

## Funding Mix as % of Overall Liabilities

■ Retail ■ Banks/Institutions

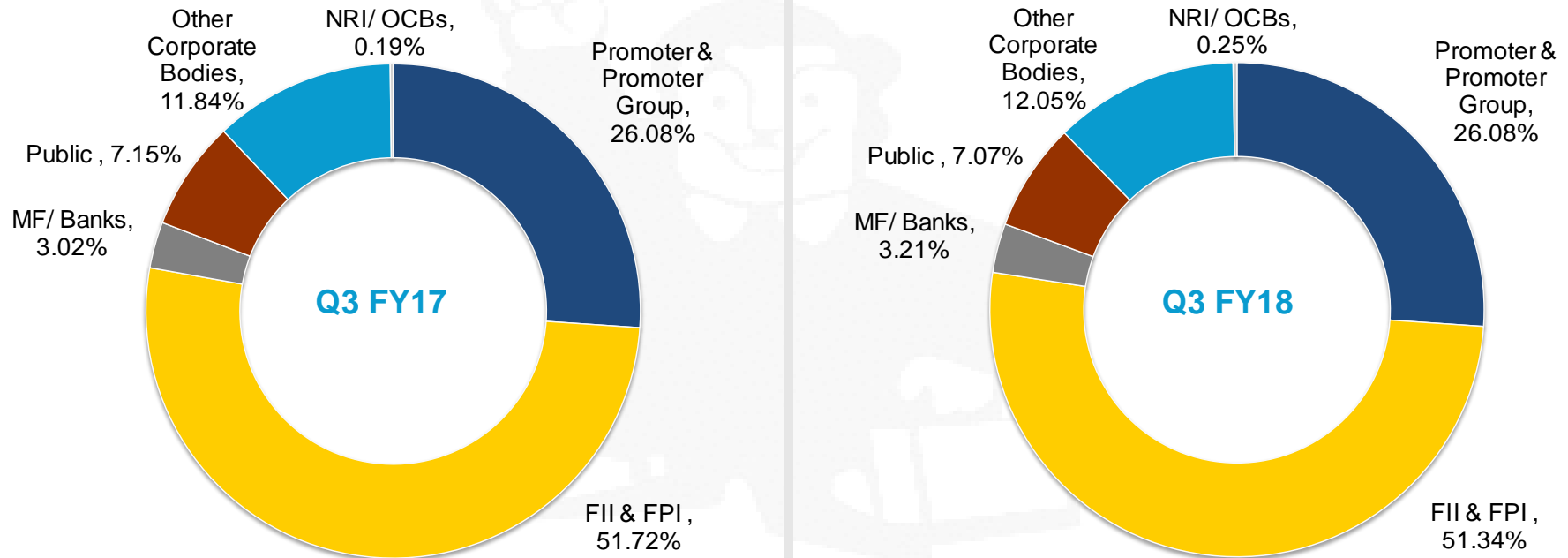


- \* Strategic mix of retail deposits and institutional funding matched favorably with deployment
- \* Access to fixed rate long term loans of 3 - 5 years due to strong relationships with public, private sector, foreign banks and institutions
- \* Securitization of loan book at regular intervals to fund new originations and maintain growth momentum
  - Securitized assets portfolio stands at Rs. 151.34 bn at the end of Q3 FY18
- \* Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements

Credit Rating Agency	Instruments	Ratings
CARE	NCD's	CARE AA+/ Stable
CARE	Subordinate Debt	CARE AA+/ Stable
CARE	Commercial Paper	CARE A1+
CRISIL	Bank Loan Long Term	CRISIL AA+/ Stable
CRISIL	Bank Loan Short Term	CRISIL A1+
CRISIL	Fixed Deposit	CRISIL FAAA/ Stable
CRISIL	NCD's	CRISIL AA+/ Stable
CRISIL	Subordinate Debts	CRISIL AA+/ Stable
CRISIL	Short Term Debt	CRISIL A1+
India Ratings	NCD's	IND AA+/ Stable
India Ratings	Subordinated Debt	IND AA+/ Stable
India Ratings	Commercial Paper	IND A1+
ICRA	Fixed Deposit	MAA+/ Stable
S&P	Long Term Issuer Credit Rating	BB+/ Stable
S&P	Offshore Rupee Denominated Bonds	BB+
S&P	Short Term Issuer Credit Rating	B
FITCH	Long Term Issuer Default Rating	BB+/ Stable
FITCH	Short Term Issuer Default Rating	B

# Shareholding Pattern as on Dec 31, 2017 vs Dec 31, 2016

No. of shares outstanding: 226.88 mn



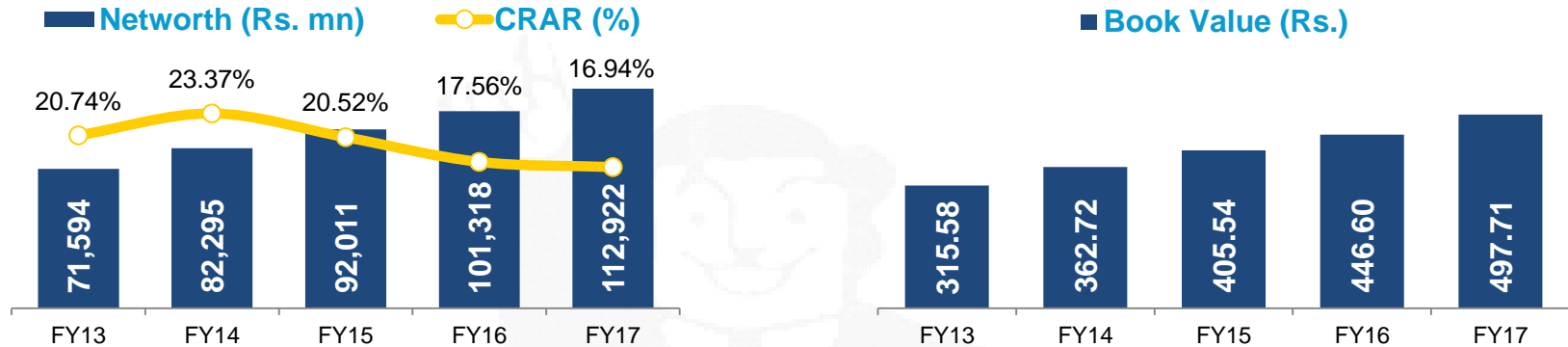
# Has Attracted Strong Interest from Quality Investors

- \* 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
Government of Singapore	5.15	2.27
Societe Generale	4.48	1.97
Abu Dhabi Investment Authority	4.04	1.78
SBI Dual Advantage Fund Series XXV	3.94	1.74
Vanguard Emerging Markets Stock Index Fund	2.94	1.30
Morgan Stanley (France) S.A.	2.69	1.19
Stichting Depository APG Emerging Markets Equity Pool	2.67	1.18
Public & Others	112.44	49.55
<b>Total</b>	<b>226.88</b>	<b>100.00</b>



# Well-Capitalized Balance Sheet



\* Capital Adequacy Ratio at 16.94% as on March 31, 2017 vs 15% mandated by RBI

**Note:** The standalone financials for FY16 include the erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

# RECENT PERFORMANCE



# Performance Highlights – Q3 FY18 vs Q3 FY17

<b>Total Income</b>	<b>13.7%</b> ↑	Q3 FY18	<b>Rs 30,888.7 mn</b>
		Q3 FY17	Rs 27,174.3 mn
<b>Net Interest Income*</b>	<b>21.1%</b> ↑	Q3 FY18	<b>Rs 17,094.2 mn</b>
		Q3 FY17	Rs 14,121.1 mn
* including Securitisation Income			
<b>PAT</b>	<b>43.3%</b> ↑	Q3 FY18	<b>Rs 4,956.3 mn</b>
		Q3 FY17	Rs 3,459.6 mn
<b>EPS</b>	<b>43.3%</b> ↑	Q3 FY18	<b>Rs 21.85</b>
		Q3 FY17	Rs 15.25

\* Cost to income ratio at 21.32% in Q3 FY18 as compared to 19.54% in Q3 FY17

\* Employee strength at 22,967 (including 14,497 field executives) in Q3 FY18 against 15,993 in Q3 FY17

# Performance Highlights – 9M FY18 vs 9M FY17

<b>Total Income</b>	<b>10.5%</b> ↑	9M FY18	<b>Rs 89,677.9 mn</b>
		9M FY17	Rs 81,183.0 mn
<b>Net Interest Income*</b>	<b>19.8%</b> ↑	9M FY18	<b>Rs 49,269.9 mn</b>
		9M FY17	Rs 41,124.9 mn
* including Securitisation Income			
<b>PAT</b>	<b>28.5%</b> ↑	9M FY18	<b>Rs 14,234.2 mn</b>
		9M FY17	Rs 11,077.1 mn
<b>EPS</b>	<b>28.5%</b> ↑	9M FY18	<b>Rs 62.74</b>
		9M FY17	Rs 48.82

\* Cost to income ratio at 20.62% in 9M FY18 as compared to 21.77% in 9M FY17

# Performance Highlights – Q3 FY18 vs Q3 FY17

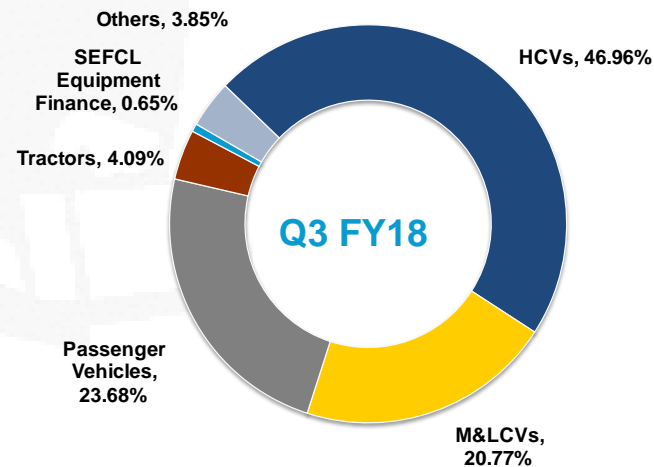
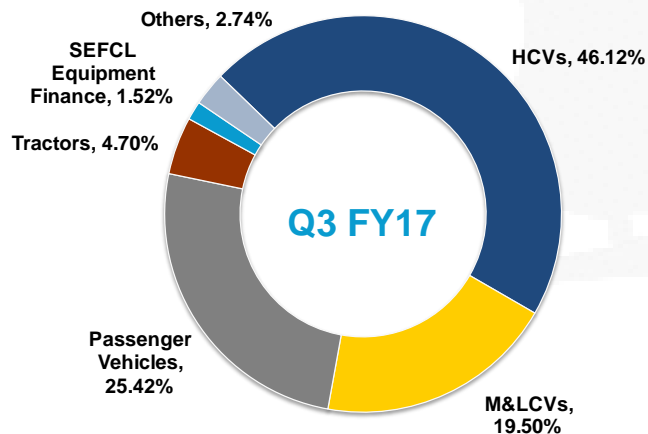
<b>AUM</b>	<b>18.0%</b> ↑	Q3 FY18	<b>Rs 900,185.6 mn</b>
		Q3 FY17	Rs 762,813.6 mn
<b>GNPA</b>	<b>40.4%</b> ↑	Q3 FY18	<b>Rs 60,463.1 mn</b>
		Q3 FY17	Rs 43,062.4 mn
<b>NNPA</b>	<b>65.6%</b> ↑	Q3 FY18	<b>Rs 17,510.5 mn</b>
		Q3 FY17	Rs 10,577.2 mn
<b>Book Value</b>	<b>11.5%</b> ↑	Q3 FY18	<b>Rs 547.58</b>
		Q3 FY17	Rs 490.99

- \* In accordance with regulations, shifted NPA recognition norms to 120 days in Q4 FY17 from 150 days earlier.
- \* Coverage ratio at 71.04% in Q3 FY18 as compared to 75.44% in Q3 FY17
- \* CRAR at 16.15% as of Q3 FY18 compared to 17.55% as of Q3 FY17.

# AUM Break-up

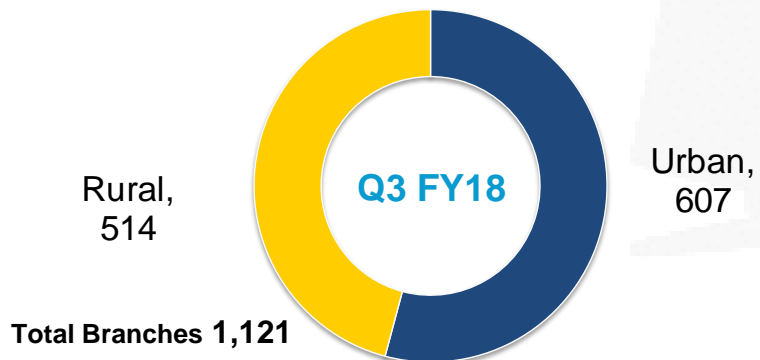
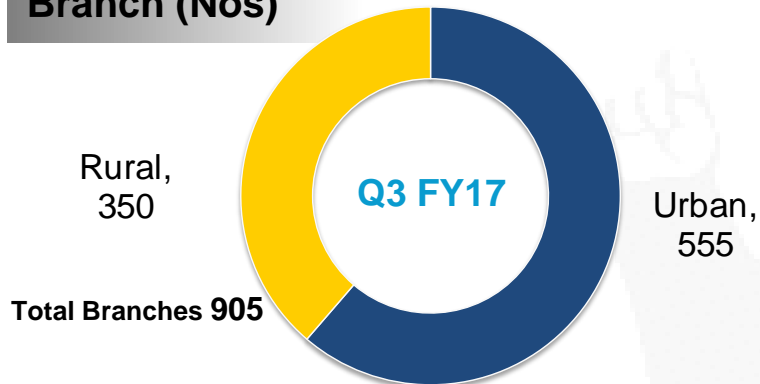
Particulars (Rs. mn)	Q3 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY (%)	QoQ (%)	9M FY17	9M FY18	YoY (%)	FY17
- On Books	642,706.6	683,005.6	707,437.9	748,843.8	16.51%	5.85%	642,706.6	748,843.8	16.51%	654,628.7
- Off Books	120,107.0	133,113.9	147,187.8	151,341.8	26.01%	2.82%	120,107.0	151,341.8	26.01%	132,980.6
<b>Total AUM</b>	<b>762,813.6</b>	<b>816,119.5</b>	<b>854,625.7</b>	<b>900,185.6</b>	<b>18.01%</b>	<b>5.33%</b>	<b>762,813.6</b>	<b>900,185.6</b>	<b>18.01%</b>	<b>787,609.3</b>
- New	74,981.2	81,192.4	85,975.4	95,084.4	26.81%	10.59%	74,981.2	95,084.4	26.81%	79,188.7
- Used	666,931.3	710,588.4	740,139.0	770,473.2	15.53%	4.10%	666,931.3	770,473.2	15.53%	686,328.9
- Others	20,901.1	24,338.7	28,511.3	34,628.0	65.68%	21.45%	20,901.1	34,628.0	65.68%	22,091.7
<b>Total AUM</b>	<b>762,813.6</b>	<b>816,119.5</b>	<b>854,625.7</b>	<b>900,185.6</b>	<b>18.01%</b>	<b>5.33%</b>	<b>762,813.6</b>	<b>900,185.6</b>	<b>18.01%</b>	<b>787,609.3</b>

## Segment-wise Break up

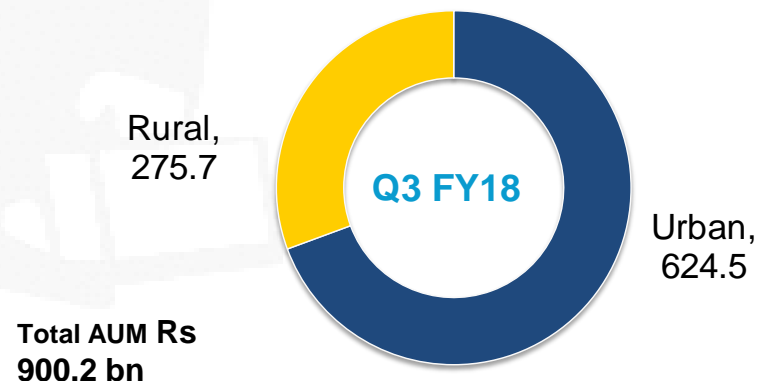
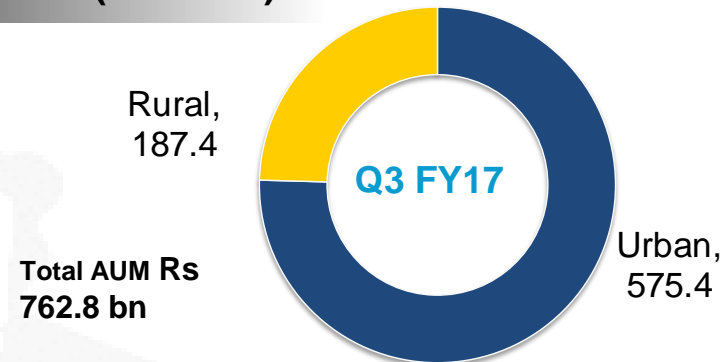


# Branch & AUM distribution – Q3 FY18 vs Q3 FY17

## Branch (Nos)



## AUM (Rs in bn)





# NPA Analysis

Particulars (Rs. mn)	Q3 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY (%)	QoQ (%)	9M FY17	9M FY18	YoY (%)	FY17
Gross NPA	43,062.4	55,490.1	57,730.4	60,463.1	40.41%	4.73%	43,062.4	60,463.1	40.41%	54,084.4
Net NPA	10,577.2	16,197.3	16,552.2	17,510.5	65.55%	5.79%	10,577.2	17,510.5	65.55%	16,590.0
Gross NPA (%)	6.62%	8.03%	8.06%	7.98%	20.54%	-0.99%	6.62%	7.98%	20.54%	8.16%
Net NPA (%)	1.71%	2.49%	2.45%	2.45%	43.27%	0.00%	1.71%	2.45%	43.27%	2.65%
Coverage Ratio (%)	75.44%	70.81%	71.33%	71.04%	-5.83%	-0.41%	75.44%	71.04%	-5.83%	69.33%

- \* The company transitioned to 120 dpd NPA recognition from Q4 FY17
  - YoY figures are not comparable since NPA recognition in Q3 FY17 was on 150 dpd basis
- \* Provision Coverage Ratio (PCR) on 120 dpd at 71.04% in Q3 FY18 as against 75.44% on 150 dpd in Q3 FY17.

# P&L Statement

Particulars (Rs. mn)	Q3 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY (%)	QoQ (%)	9M FY17	9M FY18	YoY (%)	FY17
Interest income	24,437.9	26,198.1	26,761.2	27,573.3	12.83%	3.03%	73,827.8	80,532.6	9.08%	98,013.0
Interest expended	12,824.9	12,834.5	13,082.4	13,540.2	5.58%	3.50%	39,348.5	39,457.1	0.28%	52,094.0
Net interest income	11,613.0	13,363.6	13,678.8	14,033.1	20.84%	2.59%	34,479.3	41,075.5	19.13%	45,919.0
Income from securitisation	2,553.4	2,571.2	2,714.0	3,096.1	21.25%	14.08%	6,834.5	8,381.3	22.63%	9,532.0
Less : Securitisation expenses	45.3	82.8	69.1	35.0	-22.74%	-49.35%	188.9	186.9	-1.06%	239.2
Income from securitisation (net)	2,508.1	2,488.4	2,644.9	3,061.1	22.05%	15.74%	6,645.6	8,194.4	23.31%	9,292.8
<b>Net interest income (incl. sec)</b>	<b>14,121.1</b>	<b>15,852.0</b>	<b>16,323.7</b>	<b>17,094.2</b>	<b>21.05%</b>	<b>4.72%</b>	<b>41,124.9</b>	<b>49,269.9</b>	<b>19.81%</b>	<b>55,211.8</b>
Other fee based income	18.2	28.5	28.7	27.2	49.45%	-5.23%	46.0	84.4	83.48%	65.2
<b>Operating income</b>	<b>14,139.3</b>	<b>15,880.5</b>	<b>16,352.4</b>	<b>17,121.4</b>	<b>21.09%</b>	<b>4.70%</b>	<b>41,170.9</b>	<b>49,354.3</b>	<b>19.88%</b>	<b>55,277.0</b>
Operating expenditure	2,905.4	3,379.0	3,485.0	3,828.4	31.77%	9.85%	9,384.3	10,692.4	13.94%	12,287.7
<b>Core operating profit *</b>	<b>11,233.9</b>	<b>12,501.5</b>	<b>12,867.4</b>	<b>13,293.0</b>	<b>18.33%</b>	<b>3.31%</b>	<b>31,786.6</b>	<b>38,661.9</b>	<b>21.63%</b>	<b>42,989.3</b>
Other income	164.4	189.9	295.0	193.3	17.58%	-34.47%	472.1	678.2	43.66%	693.1
<b>Operating profit</b>	<b>11,398.3</b>	<b>12,691.4</b>	<b>13,162.4</b>	<b>13,486.3</b>	<b>18.32%</b>	<b>2.46%</b>	<b>32,258.7</b>	<b>39,340.1</b>	<b>21.95%</b>	<b>43,682.4</b>
Provisions for bad debts	6,089.5	5,729.2	5,792.0	5,719.1	-6.08%	-1.26%	15,270.9	17,240.3	12.90%	24,075.8
Provisions against standard assets	15.5	93.5	87.1	134.6	768.39%	54.54%	58.3	315.2	440.65%	367.4
<b>PBT</b>	<b>5,293.3</b>	<b>6,868.7</b>	<b>7,283.3</b>	<b>7,632.6</b>	<b>44.19%</b>	<b>4.80%</b>	<b>16,929.5</b>	<b>21,784.6</b>	<b>28.68%</b>	<b>19,239.2</b>
Tax	1,833.7	2,381.9	2,492.2	2,676.3	45.95%	7.39%	5,852.4	7,550.4	29.01%	6,665.8
<b>PAT</b>	<b>3,459.6</b>	<b>4,486.8</b>	<b>4,791.1</b>	<b>4,956.3</b>	<b>43.26%</b>	<b>3.45%</b>	<b>11,077.1</b>	<b>14,234.2</b>	<b>28.50%</b>	<b>12,573.4</b>
<b>EPS (Rs)</b>	<b>15.25</b>	<b>19.78</b>	<b>21.11</b>	<b>21.85</b>	<b>43.28%</b>	<b>3.51%</b>	<b>48.82</b>	<b>62.74</b>	<b>28.51%</b>	<b>55.42</b>
<b>Tier I CRAR %</b>	<b>15.44%</b>	<b>14.89%</b>	<b>15.00%</b>	<b>14.86%</b>	<b>-3.76%</b>	<b>-0.93%</b>	<b>15.44%</b>	<b>14.86%</b>	<b>-3.76%</b>	<b>15.20%</b>
<b>Tier II CRAR %</b>	<b>2.11%</b>	<b>1.37%</b>	<b>1.19%</b>	<b>1.29%</b>	<b>-38.86%</b>	<b>8.40%</b>	<b>2.11%</b>	<b>1.29%</b>	<b>-38.86%</b>	<b>1.74%</b>
<b>Total CRAR %</b>	<b>17.55%</b>	<b>16.26%</b>	<b>16.19%</b>	<b>16.15%</b>	<b>-7.98%</b>	<b>-0.25%</b>	<b>17.55%</b>	<b>16.15%</b>	<b>-7.98%</b>	<b>16.94%</b>
<b>Book Value (Rs)</b>	<b>490.99</b>	<b>510.38</b>	<b>531.58</b>	<b>547.58</b>	<b>11.53%</b>	<b>3.01%</b>	<b>490.99</b>	<b>547.58</b>	<b>11.53%</b>	<b>497.71</b>

\*Before Provisions & Contingencies

# Balance Sheet

Particulars (Rs. mn)	Dec-16	Jun-17	Sep-17	Dec-17	YoY (%)	QoQ (%)	Mar-17
<b>Liabilities</b>							
<u>Shareholder funds</u>							
(a) Share capital	2,269.1	2,269.1	2,269.1	2,269.1	0.00%	0.00%	2,269.1
(b) Reserves and surplus	109,256.9	113,601.6	118,392.7	122,008.0	11.67%	3.05%	110,753.2
<u>Non-current liabilities</u>							
(a) Long-term borrowings	314,445.0	336,810.3	349,751.9	367,656.4	16.92%	5.12%	337,001.8
(b) Other long term liabilities	12,397.4	12,839.9	14,377.0	15,101.1	21.81%	5.04%	13,120.3
(c) Long term provisions	33,706.6	40,791.8	42,734.8	44,607.9	32.34%	4.38%	38,939.4
<u>Current liabilities</u>							
(a) Short-term borrowings	52,985.6	68,621.7	52,922.9	74,037.6	39.73%	39.90%	49,831.4
(b) Trade payables	15,654.6	15,738.5	16,804.6	17,434.4	11.37%	3.75%	17,309.5
(c) Other current liabilities	169,158.4	181,463.1	181,881.1	180,447.2	6.67%	-0.79%	170,896.3
(d) Short-term provisions	5,462.9	6,658.6	5,137.3	6,782.9	24.16%	32.03%	3,982.1
<b>Total</b>	<b>715,336.5</b>	<b>778,794.6</b>	<b>784,271.4</b>	<b>830,344.6</b>	<b>16.08%</b>	<b>5.87%</b>	<b>744,103.1</b>
<b>Assets</b>							
<u>Non-current assets</u>							
(a) Fixed assets							
(i) Tangible assets	855.1	844.1	911.0	948.7	10.95%	4.14%	809.8
(ii) Intangible assets	12.8	18.5	16.9	15.0	17.19%	-11.24%	16.1
(b) Non-current investments	14,502.8	14,967.2	14,968.5	14,969.8	3.22%	0.01%	14,983.3
(c) Deferred tax assets (net)	3,392.8	3,884.0	3,992.8	4,108.6	21.10%	2.90%	3,622.8
(d) Long term loans and advances	455,570.9	490,129.5	510,499.8	541,911.9	18.95%	6.15%	473,088.8
(e) Other non-current assets	103.9	137.2	42.3	38.8	-62.66%	-8.27%	751.5
<u>Current assets</u>							
(a) Current investments	0.0	3,100.0	0.0	0.0	0.00%	0.00%	522.1
(b) Cash and bank balances	31,345.7	48,342.1	28,737.7	31,928.6	1.86%	11.10%	44,406.9
(c) Short-term loans and advances	208,863.0	216,680.3	224,470.0	235,671.5	12.84%	4.99%	205,313.1
(d) Other current assets	689.5	691.7	632.4	751.7	9.02%	18.86%	588.7
<b>Total</b>	<b>715,336.5</b>	<b>778,794.6</b>	<b>784,271.4</b>	<b>830,344.6</b>	<b>16.08%</b>	<b>5.87%</b>	<b>744,103.1</b>

# Key Metrics – Q3 FY18

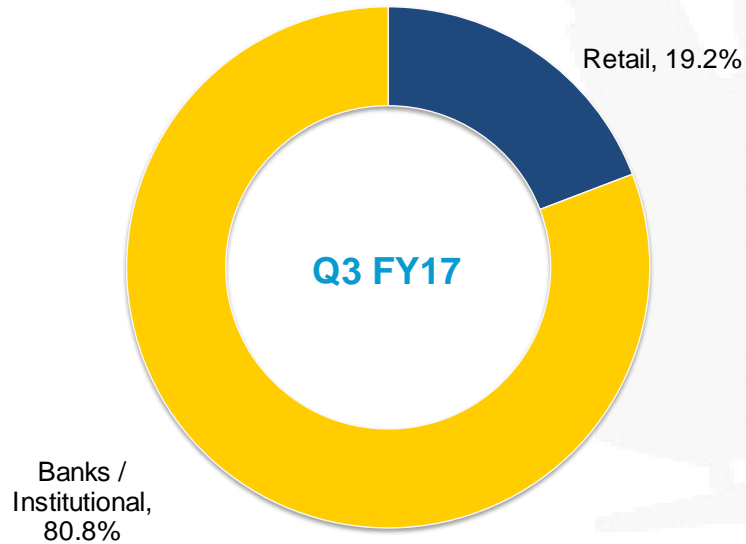
P&L Metrics (Rs. mn)	Q3 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY (%)	QoQ (%)	9M FY17	9M FY18	YoY (%)	FY17
Interest Income	24,437.9	26,198.1	26,761.2	27,573.3	12.83%	3.03%	73,827.8	80,532.6	9.08%	98,013.0
Securitisation Income	2,508.1	2,488.4	2,644.9	3,061.1	22.05%	15.74%	6,645.6	8,194.4	23.31%	9,292.8
<b>Total Interest Income</b>	<b>26,946.0</b>	<b>28,686.5</b>	<b>29,406.1</b>	<b>30,634.4</b>	<b>13.69%</b>	<b>4.18%</b>	<b>80,473.4</b>	<b>88,727.0</b>	<b>10.26%</b>	<b>107,305.8</b>
Less: Interest Expenses	12,824.9	12,834.5	13,082.4	13,540.2	5.58%	3.50%	39,348.5	39,457.1	0.28%	52,094.0
<b>Net Interest Income (incl. sec)</b>	<b>14,121.1</b>	<b>15,852.0</b>	<b>16,323.7</b>	<b>17,094.2</b>	<b>21.05%</b>	<b>4.72%</b>	<b>41,124.9</b>	<b>49,269.9</b>	<b>19.81%</b>	<b>55,211.8</b>
Other Income	182.6	218.4	323.7	220.5	20.76%	-31.88%	518.1	762.6	47.19%	758.3
<b>Profit After Tax</b>	<b>3,459.6</b>	<b>4,486.8</b>	<b>4,791.1</b>	<b>4,956.3</b>	<b>43.26%</b>	<b>3.45%</b>	<b>11,077.1</b>	<b>14,234.2</b>	<b>28.50%</b>	<b>12,573.4</b>
EPS (Rs.)	15.25	19.78	21.11	21.85	43.28%	3.51%	48.82	62.74	28.51%	55.42
Cost to income Ratio (%)	19.54%	20.17%	20.33%	21.32%	9.11%	4.87%	21.77%	20.62%	-5.28%	21.15%
NIM (on AUM)	7.17%	7.51%	7.48%	7.48%	4.32%	0.00%	7.22%	7.49%	3.74%	7.16%

# Key Metrics – Q3 FY18

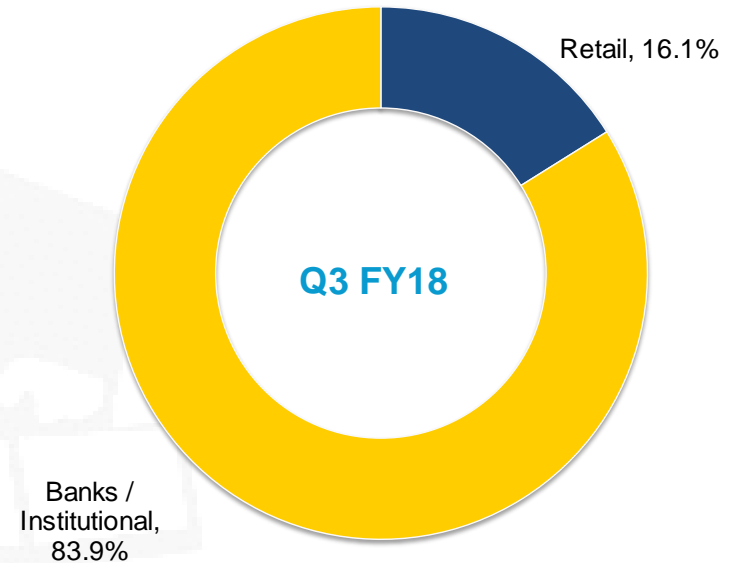
Balance Sheet Metrics (Rs. mn)	Q3 FY17	Q1 FY18	Q2 FY18	Q3 FY18	YoY (%)	QoQ (%)	9M FY17	9M FY18	YoY (%)	FY17
Networth	111,398.0	115,797.3	120,605.4	124,236.0	11.52%	3.01%	111,398.0	124,236.0	11.52%	112,921.6
Book Value (Rs.)	490.99	510.38	531.58	547.58	11.53%	3.01%	490.99	547.58	11.53%	497.71
Securitisation done	26,008	22,242	37,914	30,406	16.91%	-19.80%	76,590	90,562	18.24%	112,142
Interest Coverage (x)	2.12	2.26	2.28	2.28	7.55%	0.00%	2.06	2.27	10.19%	2.08
ROA (%)	1.92%	2.34%	2.43%	2.44%	27.08%	0.41%	2.08%	2.40%	15.38%	1.76%
ROE (%)	12.54%	15.68%	16.20%	16.19%	29.11%	-0.06%	13.80%	16.03%	16.16%	11.61%
CRAR (%)	17.55%	16.26%	16.19%	16.15%	-7.98%	-0.25%	17.55%	16.15%	-7.98%	16.94%

# Borrowing Profile as on Dec 31, 2017 vs Dec 31, 2016

Rs 511.3 bn



Rs 591.2 bn



## Update on Subsidiary - Shriram Automall India Limited

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As per Share Purchase Agreement dated January 24, 2018, MXC Solutions India Private Limited has agreed to acquire majority stake in Company's wholly owned subsidiary, Shriram Automall India Limited, for a consideration of Rs. 1,563.76 million. The transaction is expected to be completed by April 23, 2018.



**For any Investor Relations  
queries please contact**

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## About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with Assets on Balance sheet of Rs. 74,884.38 crores and off Balance sheet assets of Rs. 15,134.18 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 1,121 branches, and employs 22,967 employees including 14,497 field officers. The company has built a strong customer base of approx. 1.71 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](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.



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Commercial Vehicle Finance

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