

Our AUM has crossed

₹1,  Cr

Just another milestone in our growth journey

Shriram Transport Finance Company Ltd

Corporate Presentation – September 2019

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Recent Performance – Q2 FY20

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COMPANY OVERVIEW



Company Snapshot

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

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

Over **2.06 mn** customers

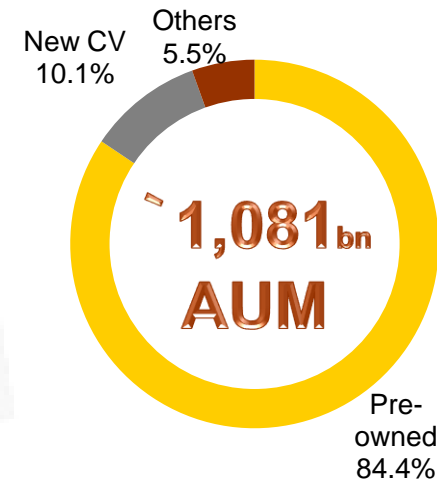
Large network of **1,669** Branch offices and **853** rural centres

Tie up with over **500** Private Financiers

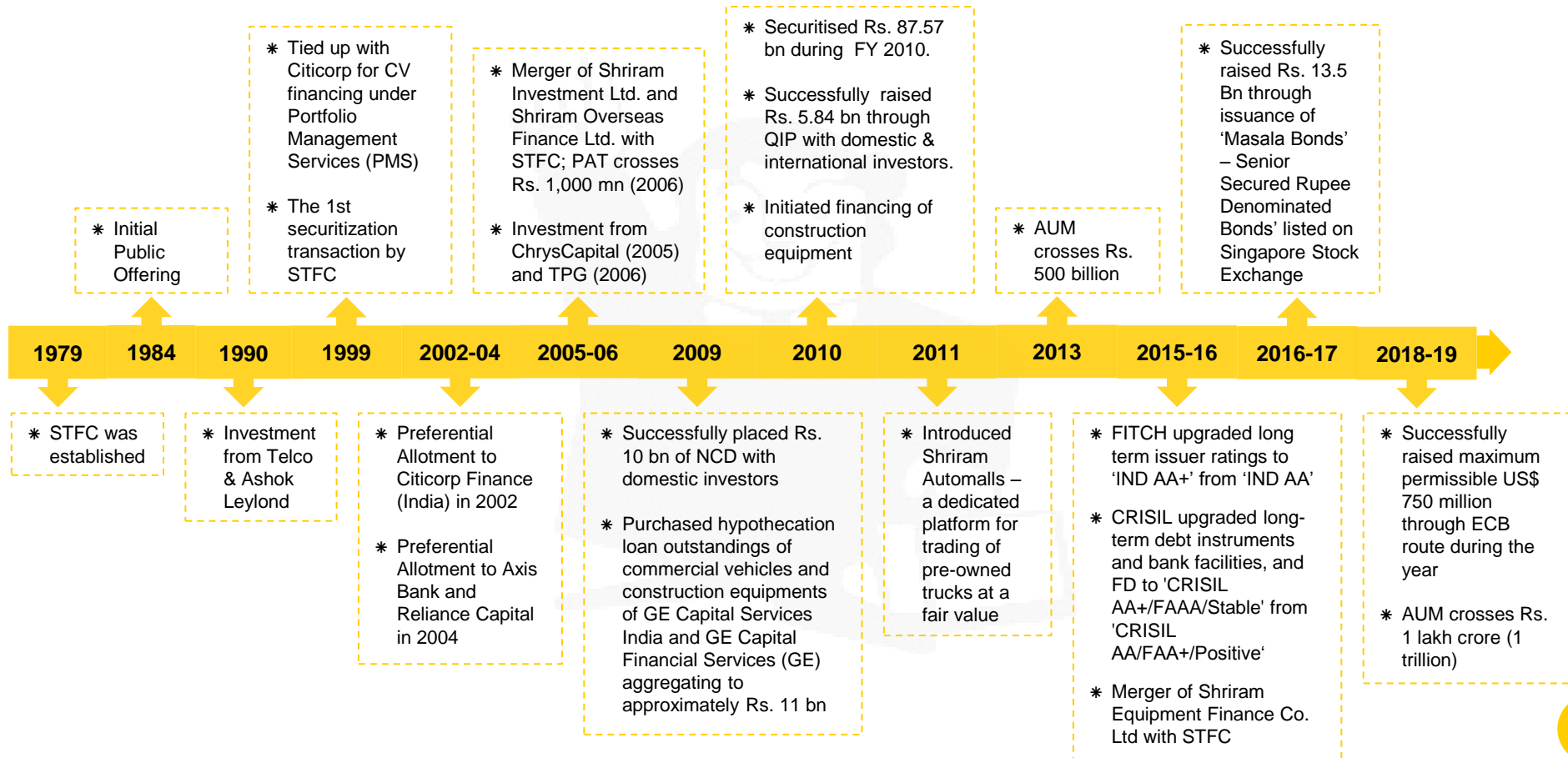
28,522 Employees including **22,745** Business Team

Market Capitalization of ~ **Rs. 243.0 billion**

FII holding of **62.41%**



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

14-16%

16-24%

12-16%

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. 912.1 bn at the end of Q2 FY20

* AUM of approximately Rs. 109.7 bn at the end of Q2 FY20

Vehicles Sold
(Industry Data)

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
LCV	361,846	460,831	524,887	432,233	382,206	383,307	411,703	516,140	616,579
MHCV	323,059	348,701	268,263	200,618	232,755	302,397	302,529	340,313	390,740
Total	684,905	809,532	793,150	632,851	614,961	685,704	714,232	856,453	1,007,319

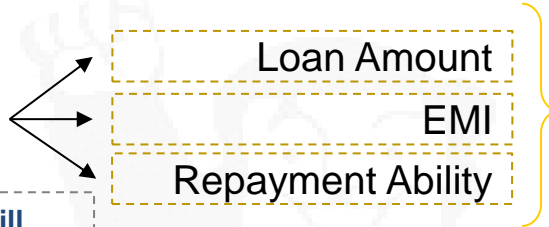
Valuation Expertise & Relationship Based Model

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

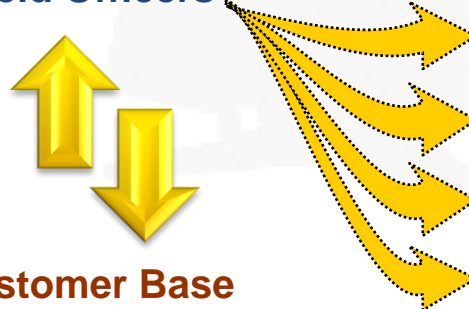
Relationship Based Recovery Model

Field Officers

Compulsory monthly visits
Managing large cash collections

Small Truck Operators
Underdeveloped banking habits

Customer Base



Loan Origination

Inspection & Valuation

Financing

Collection / Repossession

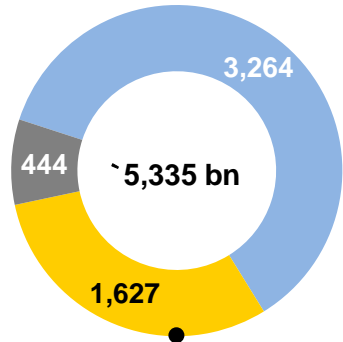
**Well-aligned
incentives
structure**

MARKET DYNAMICS & GROWTH STRATEGY

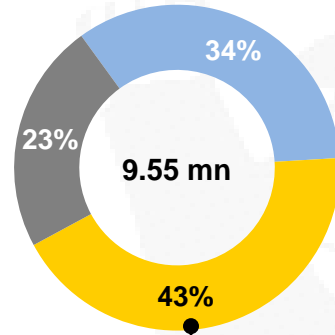


Strong Industry Potential – Commercial Vehicles

Market Potential (Rs. bn)



Trucks (mn)

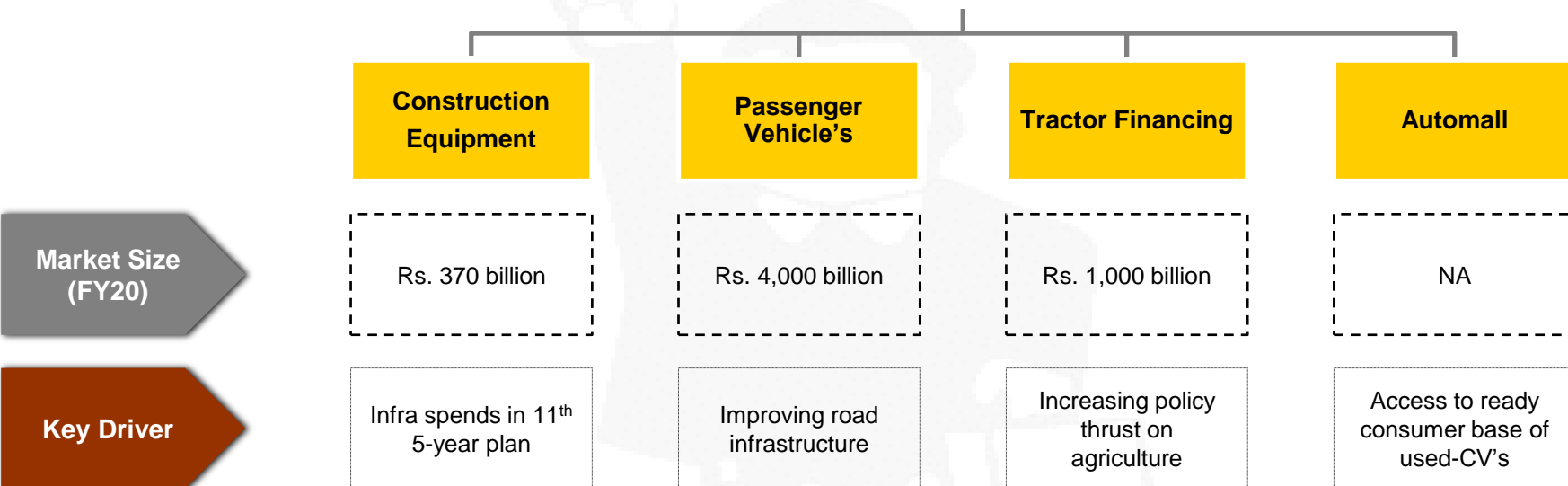


**STFC TARGET SEGMENT
LARGEST ORGANIZED
PLAYER**

■ 0-4 years ■ 5-10 years ■ 10+ years

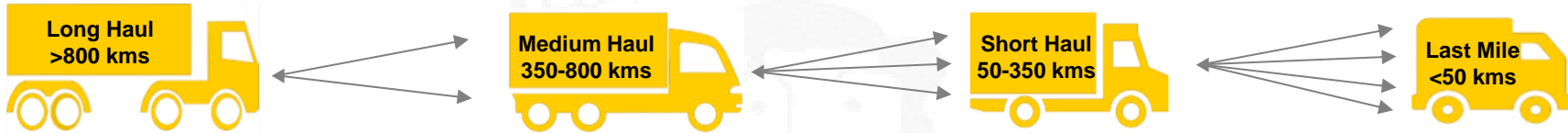
- * Market for second hand truck financing is under penetrated with 55-60% of the market with private financiers / money lenders who charge high interest rates
- * Stringent traffic regulations in major cities limiting movement of higher tonnage vehicles
- * Financing amount of Rs. 1,350 bn to be triggered 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



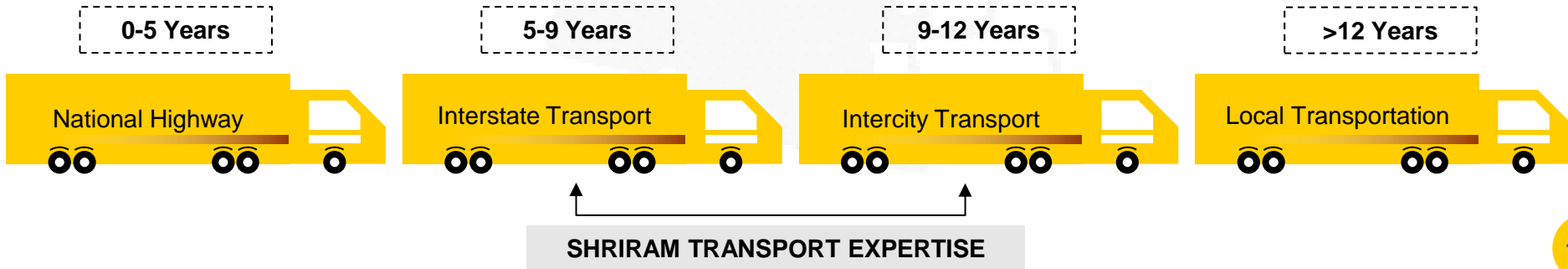
Transportation Model – Multiple Financing Opportunities

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 1.8%

CONSERVATIVE APPROACH IN LIGHT OF CHALLENGING MACROECONOMIC CONDITIONS

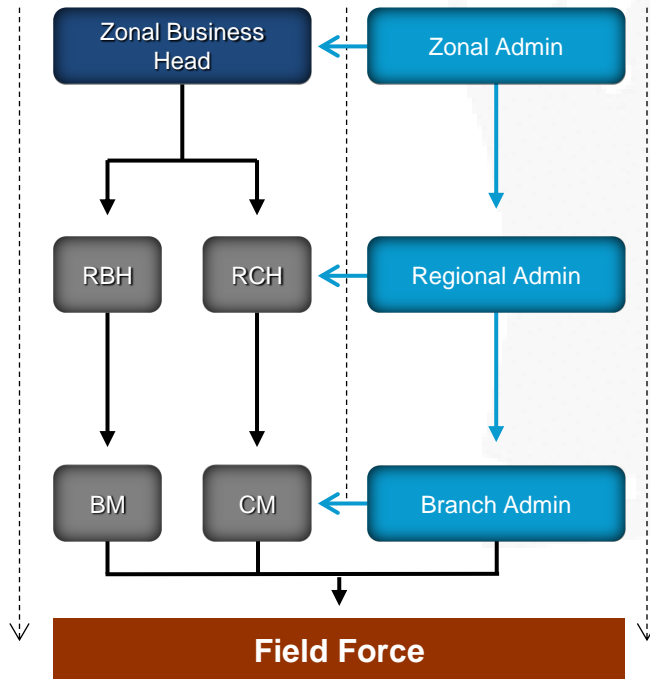
AUM expected to grow to ~Rs. 1,575 billion by end of FY'22

ORGANIZATIONAL STRUCTURE, MANAGEMENT TEAM & BOARD OF DIRECTOR'S



Organizational Framework Aligned to Mitigate Credit Risk

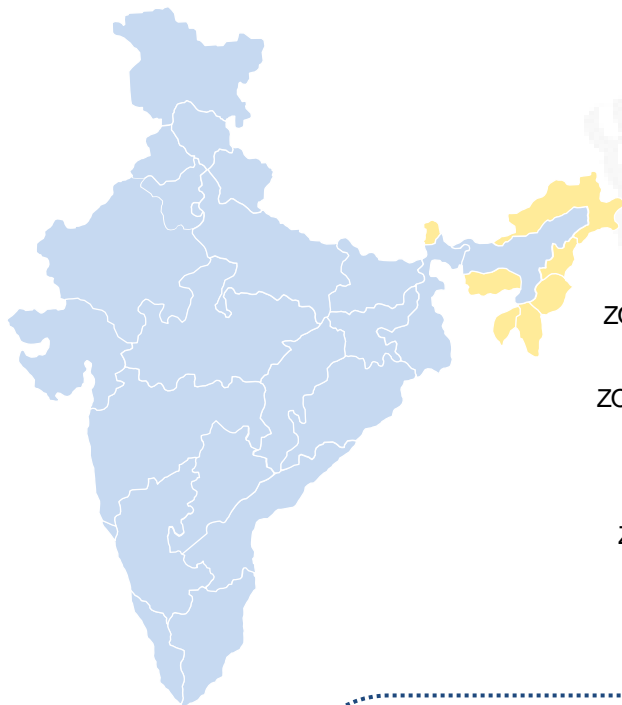
Tri-Vertical Structure Credit, Admin and Products



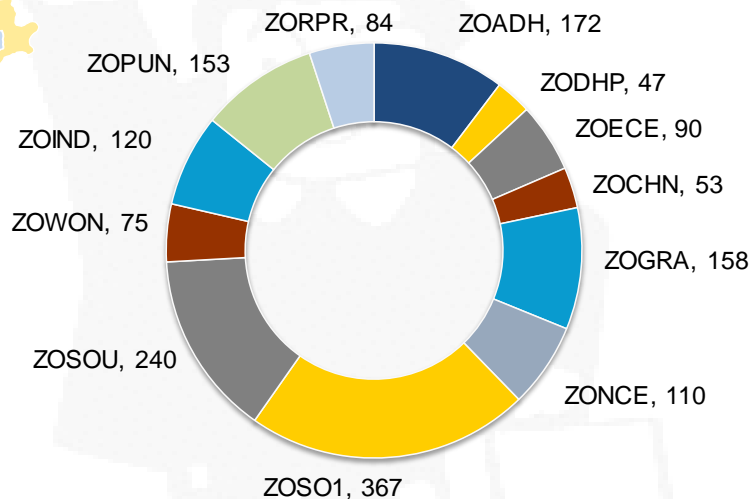
Focus on

- * 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	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

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 30 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 28 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 28 years experience in finance industry.
- Joined in 1995 and now heads the Accounts and Administration function, a qualified Cost Accountant.

Sanjay K Mundra President - Investor and Media Relations

- Over 25 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 30 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.

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 Ltd., Kalyan Jewellers India Ltd. and SOTC Travel Ltd.

Puneet Bhatia Director

- MD and Country Head for TPG Capital India Pvt Ltd. and Co head TPG Asia.
- Former Chief executive of the Private Equity Group for GE Capital India.
- Holds a degree in Commerce and an MBA from IIM, Calcutta.

Ignatius Michael Viljoen Director w.e.f date of allotment of DIN

- Head of Credit - Sanlam Pan Africa Portfolio Management, South Africa and is responsible for range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa .
- Associated with Sanlam group since 2003 and is a nominee Director of Sanlam.

Pradeep Kumar Panja Director

- Holds Masters degree in Science (Statistics) from the University of Madras. He is a Certified Associate of the Indian Institute of Bankers.
- Had a long and distinguished career as a Banker, retired as a Managing Director (Corporate Banking) of State Bank of India, the largest bank of the country, in October 2015

PERFORMANCE TRACK RECORD



Strong Financial Track Record

P&L Metrics (Rs. mn)	FY14 IGAAP	FY15 IGAAP	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS
Interest Income (Incl. Securitization)	75,661.4	85,158.1	1,01,953.3	1,07,305.8	1,21,435.5	1,32,710.3	1,54,441.4
Less: Interest Expenses	38,981.8	44,028.7	50,743.8	52,094.0	54,090.1	64,857.9	76,366.0
Net Interest Income	36,679.6	41,129.4	51,209.5	55,211.8	67,345.4	67,852.4	78,075.4
Other income	1,502.1	754.0	761.6	758.3	2,479.4	2,301.8	1,010.6
Profit After Tax	12,642.1	12,378.1	11,782.0	12,573.4	15,680.2	24,605.4	25,639.9
EPS (Rs.)	55.72	54.56	51.93	55.42	69.11	108.45	113.01
Cost to income Ratio (%)	24.12%	23.46%	23.79%	21.15%	20.59%	20.63%	21.49%
NIM (% on AUM)	6.68%	6.61%	7.27%	7.16%	7.50%	7.52%	7.41%



Note 1: 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)	FY14 IGAAP	FY15 IGAAP	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS
- On Books	3,64,877.6	4,92,271.4	6,18,783.7	6,54,628.7	7,96,729.2	8,00,013.7	8,50,847.3
- Off Books	1,66,284.3	98,811.4	1,08,822.3	1,32,980.6	1,56,333.8	1,62,592.4	1,93,975.6
Total AUM	5,31,161.9	5,91,082.8	7,27,606.0	7,87,609.3	9,53,063.0	9,62,606.1	10,44,822.9
- New	60,970.6	45,700.9	74,621.8	79,188.7	1,08,834.0	1,10,424.7	1,15,940.8
- Used	4,57,089.1	5,28,990.1	6,30,823.9	6,86,328.9	8,00,976.0	8,07,841.8	8,70,499.7
- Others	13,102.2	16,391.8	22,160.3	22,091.7	43,253.0	44,339.6	58,382.4
Total AUM	5,31,161.9	5,91,082.8	7,27,606.0	7,87,609.3	9,53,063.0	9,62,606.1	10,44,822.9
Securitisation done	1,06,795.0	44,814.0	89,917.5	1,12,142.0	1,24,671.0	1,24,671.0	1,51,231.0
Networth	82,295.7	92,010.7	1,01,317.8	1,12,921.6	1,25,720.4	1,35,478.6	1,58,086.6
Book Value (Rs.)	362.72	405.54	446.56	497.71	554.12	598.35	697.99
Interest Coverage Ratio (x)	1.99	1.96	2.03	2.08	2.29	2.08	2.03
ROA (%)	2.64%	2.28%	1.86%	1.76%	1.94%	2.64%	2.33%
ROE (%)	16.20%	14.03%	11.99%	11.61%	13.06%	20.78%	17.52%
CRAR (%)	23.37%	20.52%	17.56%	16.94%	16.87%	17.38%	20.27%

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Healthy Asset Quality (as per IGAAP)

Particulars (Rs. mn)	FY14	FY15	FY16	FY17	FY18	FY19
Gross NPA	14,505.0	18,941.4	38,702.4	54,084.4	73,763.9	70,997.8
Net NPA	3,029.1	3,791.2	11,437.0	16,590.0	21,311.4	20,553.9
Gross NPA (%)	3.86%	3.80%	6.18%	8.16%	9.15%	8.29%
Net NPA (%)	0.83%	0.79%	1.91%	2.65%	2.83%	2.55%
Coverage Ratio (%)	79.12%	79.98%	70.45%	69.33%	71.11%	71.05%
NPA Recognition on	180 dpd	180 dpd	150 dpd	120 dpd	90 dpd	90 dpd

- * Client and truck-wise exposure limits
- * Substituted formal credit evaluation tools, viz. information based model with relationship based model
- * Relationship based model:
 - Focused on earning capacity of asset
 - Same Field executive responsible for origination as well as collection
 - Asset backed lending with adequate cover
 - Repossession last resort

- * 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 90 dpd recognition

Note 1: 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.

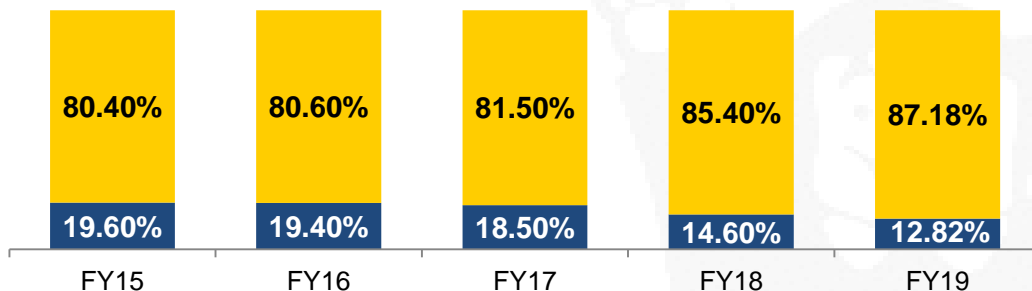
Healthy Asset Quality (as per IndAS)

As per IND AS			
Particulars (Rs. mn)	FY18	FY19	YoY (%)
Gross Stage 3	90,842.1	86,222.7	-5.09%
ECL provision-Stage 3	30,953.2	29,670.0	-4.15%
Net Stage 3	59,888.9	56,552.7	-5.57%
Gross Stage 3 (%)	9.39%	8.37%	-10.87%
Net Stage 3 (%)	6.19%	5.49%	-11.33%
Coverage Ratio (%) Stage 3	34.07%	34.41%	0.99%
Gross Stage 1 & 2	876,201.3	943,584.7	7.69%
ECL provision-Stage 1 & 2	23,650.2	26,037.0	10.09%
Net Stage 1 & 2	852,551.1	917,547.7	7.62%
ECL provision (%) Stage 1 & 2	2.70%	2.76%	2.23%

Access to Low Cost Funds

Funding Mix as % of Overall Liabilities

■ Retail ■ Banks/Institutions

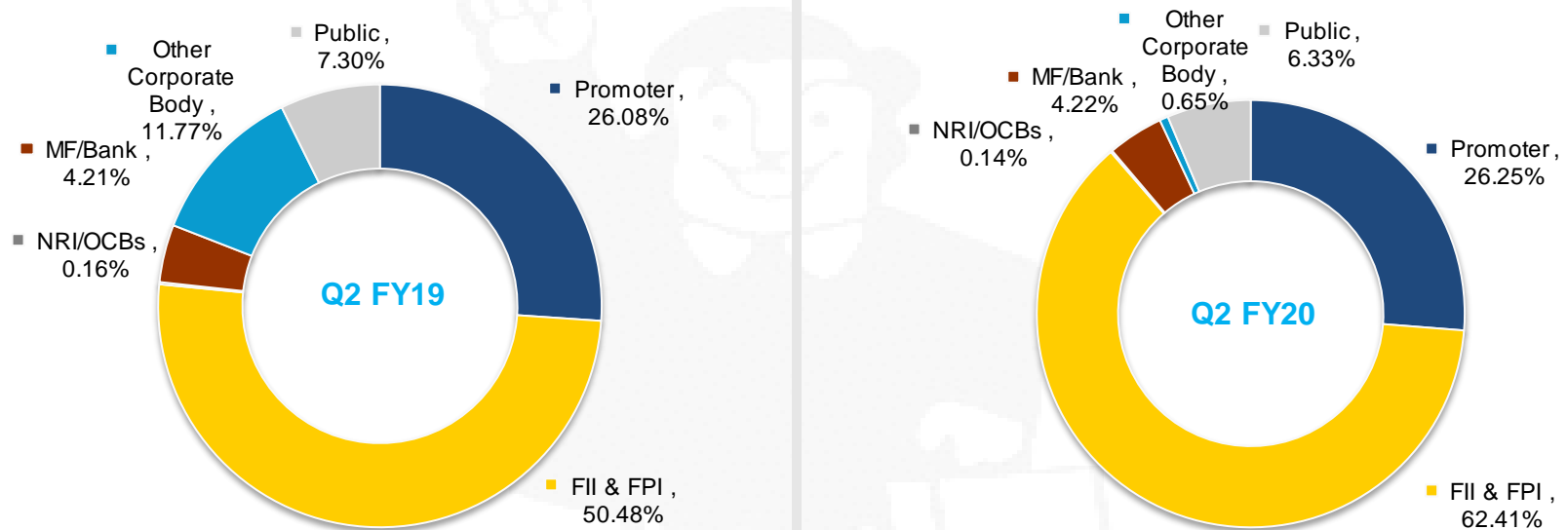


- * Strategic mix of retail deposits and institutional funding matched favorably with deployment
- * Access to fixed rate long term loans of 3 - 5 years due to strong relationships with public, private sector, foreign banks and institutions
- * Securitization of loan book at regular intervals to fund new originations and maintain growth momentum
 - Securitized assets portfolio stands at Rs. 216.9 bn and Direct Assignment Portfolio Rs. 16.57 bn at the end of Q2 FY20
- * Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements till FY'17

Credit Rating Agency	Instruments	Ratings
CARE	NCD's	CARE AA+/ Stable
CARE	Subordinate Debt's	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 Debt's	CRISIL AA+/ Stable
CRISIL	Short Term Debt's	CRISIL A1+
CRISIL	PP-MLD	CRISIL AA+/ r/Stable
India Ratings	NCD's	IND AA+/ Stable
India Ratings	Subordinated Debt's	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 Bond's	BB+
S&P	Short Term Issuer Credit Rating	B
S&P	U.S. Dollar Senior Secured Notes	BB+
FITCH	Long Term Issuer Default Rating	BB+/ Stable
FITCH	Short Term Issuer Default Rating	B
FITCH	Offshore Rupee Denominated Bond's	BB+
FITCH	U.S. Dollar Senior Secured Notes	BB+

Shareholding Pattern as on Sep 30, 2019 vs Sep 30, 2018

No. of shares outstanding: 226.88 mn

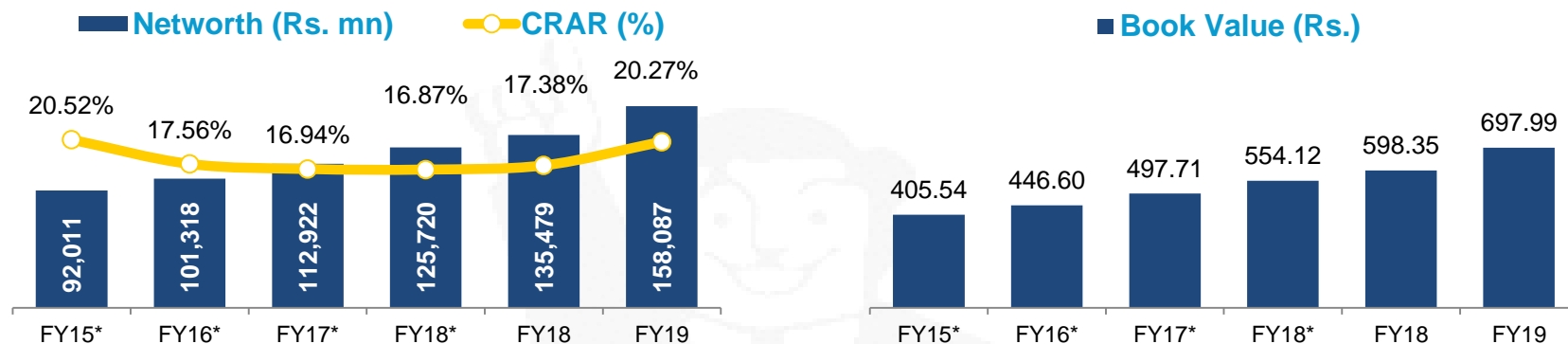


Has Attracted Strong Interest from Quality Investors

- * 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
Total	226.88	100.00

Well-Capitalized Balance Sheet



* FY15 - FY18 financials as per IGAAP.

* Capital Adequacy Ratio at 20.27% as on March 31, 2019 vs 15% mandated by RBI

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RECENT PERFORMANCE



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

Total Income	7.84% ↑	H1 FY20	Rs 82,814.7 mn
		H1 FY19	Rs 76,790.6 mn
Net Interest Income*	3.22% ↑	H1 FY20	Rs 39,985.0 mn
		H1 FY19	Rs 38,738.0 mn
* including Direct assignment Income Rs. 149.12 Mn (H1 FY19 Rs. -8.69 Mn)			
PAT	18.34% ↑	H1 FY20	Rs 13,993.0 mn
		H1 FY19	Rs 11,824.8 mn
EPS	18.36% ↑	H1 FY20	Rs 61.68
		H1 FY19	Rs 52.11

Performance Highlights – Q2 FY20 vs Q2 FY19

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

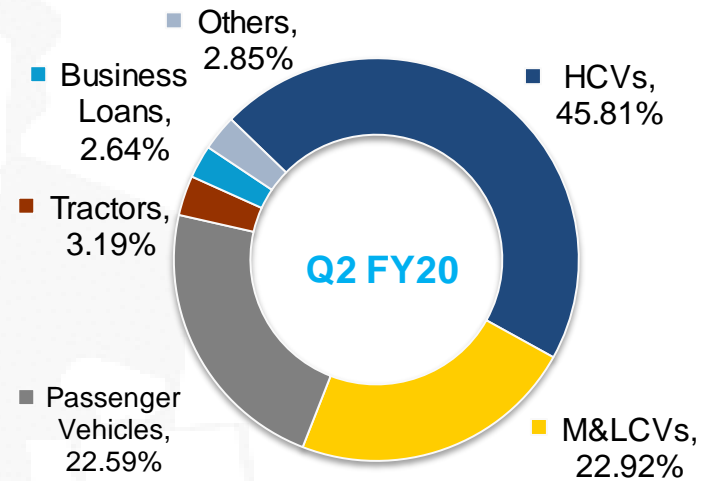
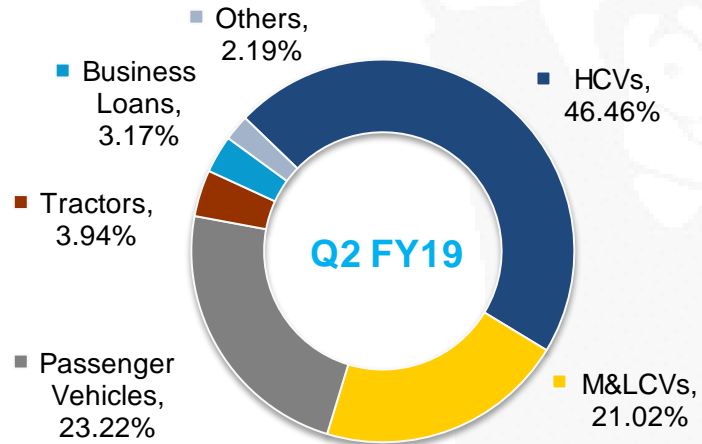
* CRAR at 20.35% as of Q2 FY20 compared to 16.69% as of Q2 FY19.

AUM Break-up

Particulars (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Loan Portfolio									
- 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
Total On books	1,043,563.1	1,044,014.2	1,064,633.7	2.02%	1.98%	1,043,563.1	1,064,633.7	2.02%	1,023,075.0
- Off Books*	235.2	19,420.6	16,568.7	6944.52%	-14.68%	235.2	16,568.7	6944.52%	21,747.9
Total AUM	1,043,798.3	1,063,434.8	1,081,202.4	3.58%	1.67%	1,043,798.3	1,081,202.4	3.58%	1,044,822.9
- 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
Total AUM	1,043,798.3	1,063,434.8	1,081,202.4	3.58%	1.67%	1,043,798.3	1,081,202.4	3.58%	1,044,822.9

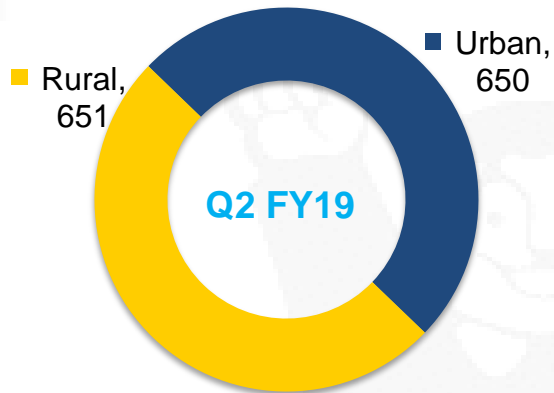
*Off Books pertains to Direct assignment portfolio

Segment-wise AUM Break up

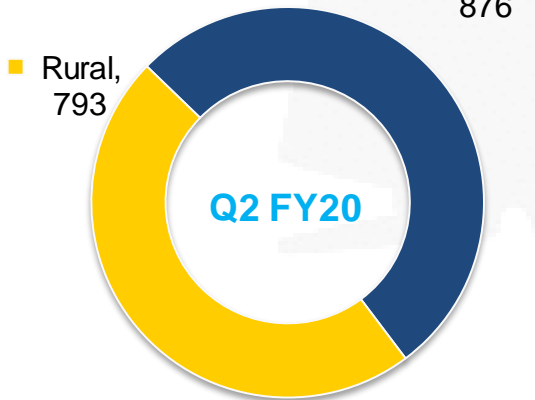


Branch & AUM distribution – Q2 FY20 vs Q2 FY19

Branch (Nos)

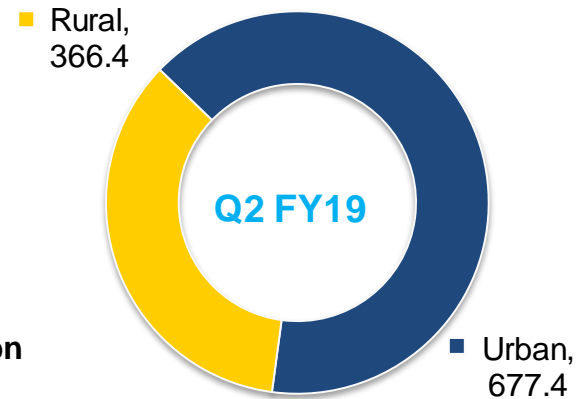


Total Branch 1,301

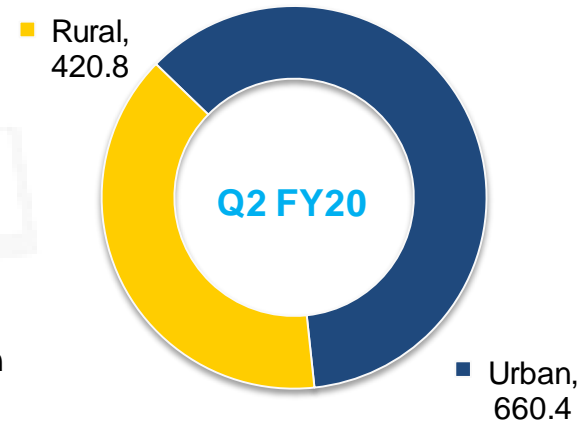


Total Branch 1,669

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%

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
Operating income	20,568.1	19,748.9	20,559.7	-0.04%	4.11%	38,838.8	40,308.7	3.78%	78,317.2
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
Core operating profit *	16,052.3	15,284.4	15,633.7	-2.61%	2.29%	29,974.6	30,918.2	3.15%	60,836.5
Other income	173.8	143.2	241.5	38.95%	68.65%	308.6	384.6	24.63%	768.8
Operating profit	16,226.1	15,427.6	15,875.2	-2.16%	2.90%	30,283.2	31,302.8	3.37%	61,605.3
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
Profit before tax	9,390.3	9,815.8	9,268.7	-1.29%	-5.57%	18,220.7	19,084.5	4.74%	37,782.7
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
Profit after tax	6,095.8	6,342.5	7,650.5	25.50%	20.62%	11,824.8	13,993.0	18.34%	25,639.9
Other comprehensive Income (Net)	-0.7	-30.1	-14.2	1928.57%	-52.82%	-12.5	-44.3	254.40%	-23.2
Total Comprehensive Income	6,095.1	6,312.4	7,636.3	25.29%	20.97%	11,812.3	13,948.7	18.09%	25,616.7
EPS (Rs)	26.86	27.96	33.72	25.54%	20.60%	52.11	61.68	18.36%	113.01
Tier I CRAR %	14.27%	15.88%	16.31%	14.30%	2.71%	14.27%	16.31%	14.30%	15.62%
Tier II CRAR %	2.42%	4.20%	4.04%	66.94%	-3.81%	2.42%	4.04%	66.94%	4.65%
Total CRAR %	16.69%	20.08%	20.35%	21.93%	1.34%	16.69%	20.35%	21.93%	20.27%
Book Value (Rs)	643.18	717.38	751.04	16.77%	4.69%	643.18	751.04	16.77%	697.99

*Before Provisions & Contingencies

Balance Sheet

Particulars (Rs. mn)	Sep-18	Jun-19	Sep-19	YoY (%)	QoQ (%)	Mar-19
I. ASSETS						
Financial Assets						
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
Non Financial assets						
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
Total	1,071,969.3	1,088,956.8	1,092,951.8	1.96%	0.37%	1,052,924.8

Balance Sheet (Continued)

Particulars (Rs. mn)	Sep-18	Jun-19	Sep-19	YoY (%)	QoQ (%)	Mar-19
II. Liabilities and Equity						
Financial Liabilities						
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%	-
Non-financial Liabilities						
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
Equity						
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
Total	1,071,969.3	1,088,956.8	1,092,951.8	1.96%	0.37%	1,052,924.8

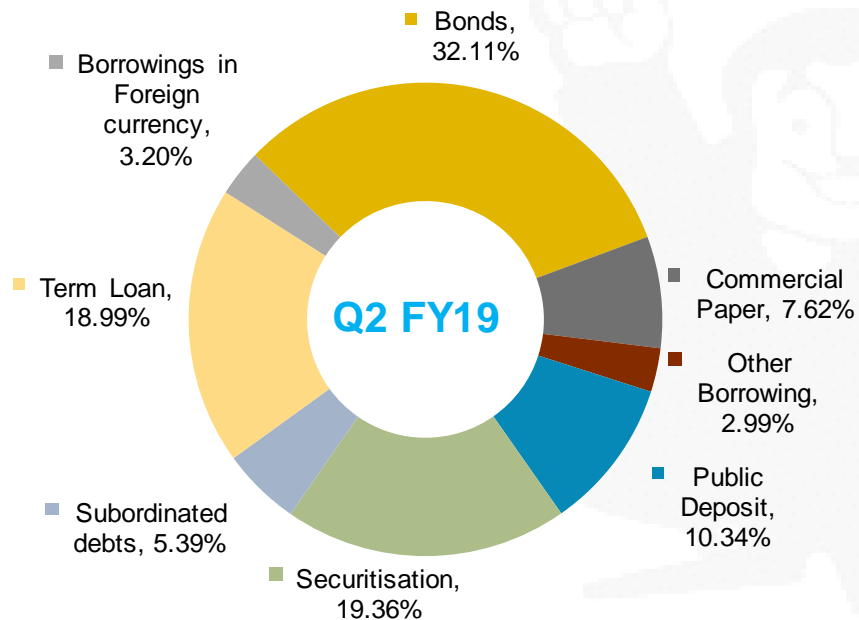
Key Metrics – Q2 FY20

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
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 Income	232.8	274.7	433.6	86.25%	57.84%	409.4	708.3	73.01%	1,010.6
Profit After Tax	6,095.8	6,342.5	7,650.5	25.50%	20.62%	11,824.8	13,993.0	18.34%	25,639.9
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%

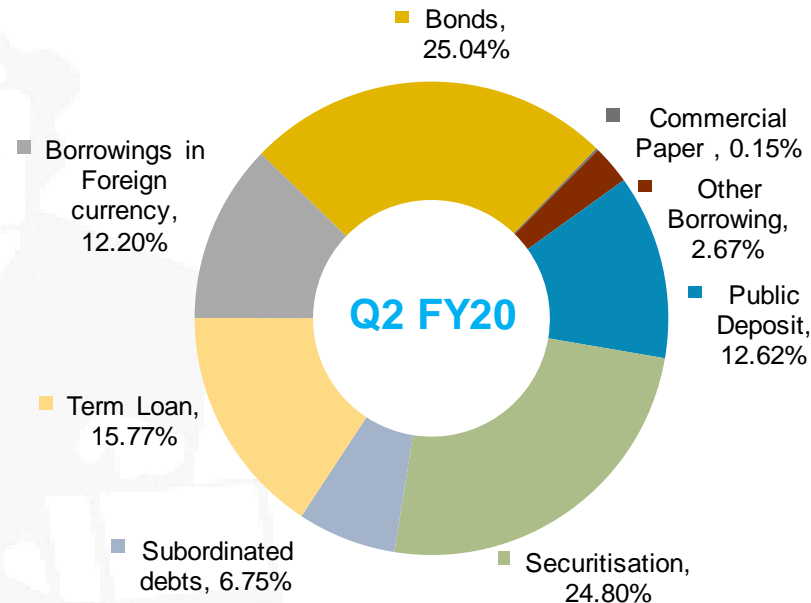
Balance Sheet Metrics (Rs. mn)	Q2 FY19	Q1 FY20	Q2 FY20	YoY (%)	QoQ (%)	H1 FY19	H1 FY20	YoY (%)	FY19
Networth	145,649.8	162,484.5	170,120.4	16.80%	4.70%	145,649.8	170,120.4	16.80%	158,086.6
Book Value (Rs.)	643.18	717.38	751.04	16.77%	4.69%	643.18	751.04	16.77%	697.99
Interest Coverage (x)	2.11	1.97	1.99	-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

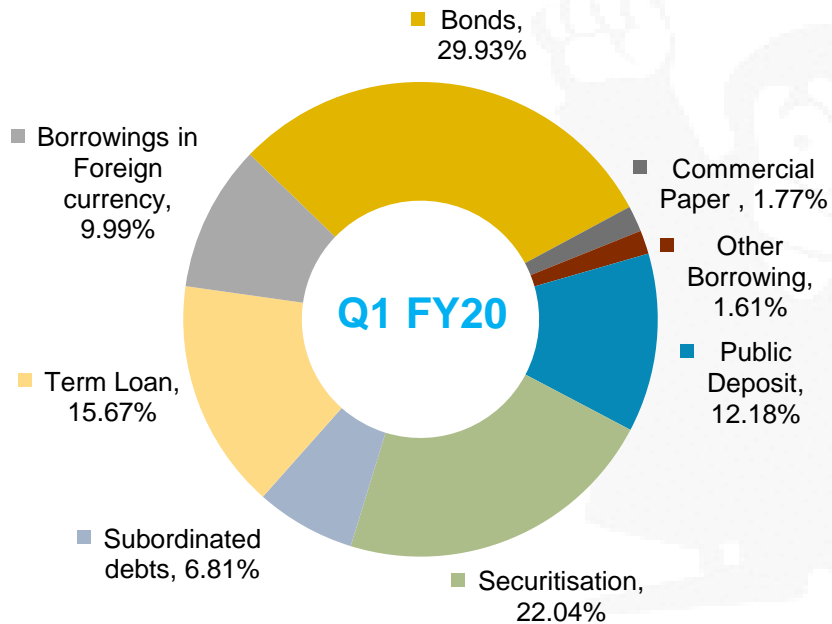


Rs 905.93 bn

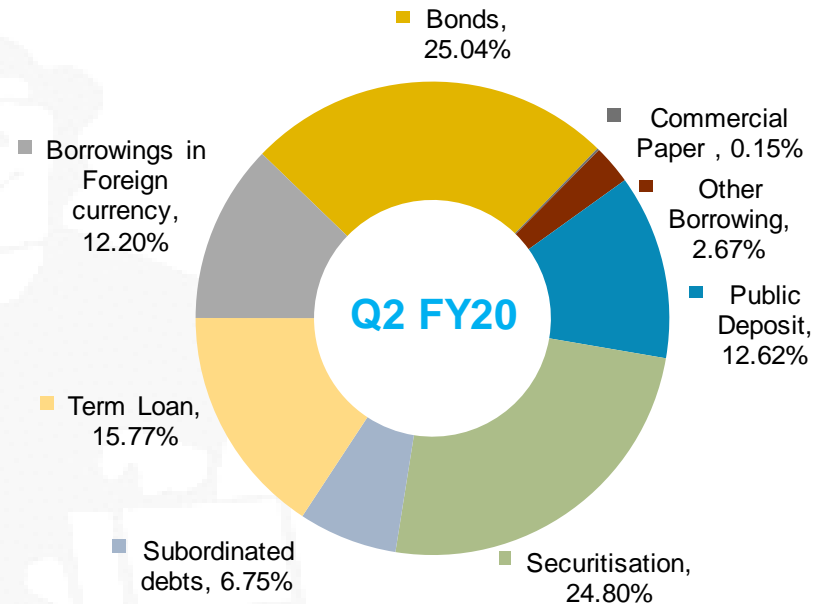


Borrowing Profile as on Sep 30, 2019 vs June 30, 2019

Rs 906.04 bn



Rs 905.93 bn



**For any Investor Relations
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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

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.



SHRIRAM

Transport Finance Company Limited

A WINNING RELATIONSHIP

Thank You