

**SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

CIN: L65191TN1979PLC007874

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**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020**

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020 (Audited)*	31.12.2019 (Unaudited)	31.03.2019 (Unaudited) *	31.03.2020 (Audited)	31.03.2019 (Audited)
	<b>Revenue from operations</b>					
(i)	Interest Income	4,092.18	4,115.37	3,803.93	16,267.46	15,335.69
(ii)	Dividend Income	-	-	-	0.19	4.99
(iii)	Rental Income	0.06	0.05	0.06	0.22	0.22
(iv)	Fees and commission Income	44.88	80.83	38.42	194.97	126.60
(v)	Net gain on fair value changes	-	0.15	-	-	-
(vi)	Others	31.30	22.47	30.58	99.52	61.65
<b>(I)</b>	<b>Total Revenue from operations</b>	<b>4,168.42</b>	<b>4,218.87</b>	<b>3,872.99</b>	<b>16,562.36</b>	<b>15,529.15</b>
<b>(II)</b>	<b>Other Income</b>	<b>4.62</b>	<b>3.33</b>	<b>10.39</b>	<b>20.27</b>	<b>27.51</b>
<b>(III)</b>	<b>Total Income (I+II)</b>	<b>4,173.04</b>	<b>4,222.20</b>	<b>3,883.38</b>	<b>16,582.63</b>	<b>15,556.66</b>
	<b>Expenses</b>					
(i)	Finance Costs	2,158.85	2,051.24	1,888.47	8,270.26	7,511.26
(ii)	Fees and commission expense	6.40	15.79	16.99	56.88	62.19
(iii)	Net loss on fair value changes	6.56	-	9.78	6.75	2.58
(iv)	Impairment on financial instruments (Refer note 10)	1,128.66	444.39	539.80	2,794.88	2,382.26
(v)	Employee Benefits Expenses	272.27	254.95	203.97	1,010.82	883.06
(vi)	Depreciation, amortization and impairment	35.71	36.30	11.51	141.05	42.97
(vii)	Others expenses	220.69	233.21	240.62	863.32	894.07
<b>(IV)</b>	<b>Total Expenses</b>	<b>3,829.14</b>	<b>3,035.88</b>	<b>2,911.14</b>	<b>13,143.96</b>	<b>11,778.39</b>
<b>(V)</b>	<b>Profit before exceptional items and tax (III-IV)</b>	<b>343.90</b>	<b>1,186.32</b>	<b>972.24</b>	<b>3,438.67</b>	<b>3,778.27</b>
<b>(VI)</b>	<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(VII)</b>	<b>Profit before tax (V +VI)</b>	<b>343.90</b>	<b>1,186.32</b>	<b>972.24</b>	<b>3,438.67</b>	<b>3,778.27</b>
<b>(VIII)</b>	<b>Tax Expense: (Refer note 7)</b>					
(1)	Current Tax	164.14	293.97	334.53	921.20	1,346.37
(2)	Deferred Tax	(44.46)	13.19	1.49	14.79	(22.27)
(3)	Tax adjustment for earlier years	0.84	-	(109.82)	0.84	(109.82)
<b>(IX)</b>	<b>Profit for the period (VII -VIII)</b>	<b>223.38</b>	<b>879.16</b>	<b>746.04</b>	<b>2,501.84</b>	<b>2,563.99</b>
(X)	Share of Profit of associate	0.97	3.03	2.98	10.43	11.69
<b>(XI)</b>	<b>Minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(XII)</b>	<b>Net Profit after taxes, minority interest and share of profit of associate (IX+X+XI)</b>	<b>224.35</b>	<b>882.19</b>	<b>749.02</b>	<b>2,512.27</b>	<b>2,575.68</b>
<b>(XIII)</b>	<b>Other Comprehensive Income</b>					
(i)	Items that will not be reclassified to profit or loss Remeasurement gain/(loss) on defined benefit plan	(1.14)	0.73	0.30	(6.33)	(3.56)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.28	(0.18)	(0.11)	1.59	1.24
(iii)	Share in Other Comprehensive Income of Associate (net of tax)	0.29	-	-	0.25	(0.10)
	<b>Other Comprehensive Income</b>	<b>(0.57)</b>	<b>0.55</b>	<b>0.19</b>	<b>(4.49)</b>	<b>(2.42)</b>
<b>(XIV)</b>	<b>Total Comprehensive Income for the period (XII+XIII)</b>	<b>223.78</b>	<b>882.74</b>	<b>749.21</b>	<b>2,507.78</b>	<b>2,573.26</b>
<b>(XV)</b>	<b>Paid-up equity share capital (face value Rs. 10/- per share)</b>	<b>226.88</b>	<b>226.88</b>	<b>226.90</b>	<b>226.88</b>	<b>226.90</b>
<b>(XVI)</b>	<b>Other Equity</b>				17,915.43	15,735.85
<b>(XVII)</b>	<b>Earnings per equity share (Not annualised for the interim periods)</b>					
	Basic (Rs.)	9.89	38.88	33.01	110.73	113.52
	Diluted (Rs.)	9.89	38.88	33.01	110.73	113.52

## STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

Sr. No.	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	3,088.99	1,029.14
(b)	Bank Balance other than (a) above	4,225.93	2,952.33
(c)	Derivative financial instruments	758.73	21.72
(d)	Receivables		
	(I) Trade Receivables	10.50	8.48
	(II) Other Receivables	5.64	19.94
(e)	Loans	102,231.63	96,751.49
(f)	Investments	2,935.63	4,125.54
(g)	Other Financial assets	45.15	36.88
(2)	<b>Non-financial Assets</b>		
(a)	Current tax assets (Net)	249.10	106.58
(b)	Deferred tax assets (Net)	62.50	75.70
(c)	Investment property	2.03	2.06
(d)	Property, Plant and Equipment	149.88	143.46
(e)	Right of use assets	327.84	-
(f)	Other Intangible assets	2.67	1.97
(g)	Other non-financial assets	169.57	143.66
	<b>Total Assets</b>	<b>114,265.79</b>	<b>105,418.95</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	-	83.42
(b)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.40	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	143.44	133.46
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than microenterprises and small enterprises	1.13	2.72
(c)	Debt Securities	34,266.96	34,181.76
(d)	Borrowings (Other than Debt Securities)	42,474.60	37,189.30
(e)	Deposits	11,960.12	10,341.46
(f)	Subordinated Liabilities	5,670.07	6,201.88
(g)	Other financial liabilities	912.32	1,016.48
(h)	Lease Liabilities	362.81	-
(2)	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (Net)	102.02	102.97
(b)	Provisions	146.33	133.26
(c)	Other non-financial liabilities	83.28	69.49
(3)	<b>EQUITY</b>		
(a)	Equity Share capital	226.88	226.90
(b)	Other Equity	17,915.43	15,735.85
	<b>Total Liabilities and Equity</b>	<b>114,265.79</b>	<b>105,418.95</b>

Particulars	Year Ended	
	31.03.2020 (Audited)	31.03.2019 (Audited)
<b>A. Cash flow from Operating activities</b>		
Profit before tax	3,438.67	3,778.27
Depreciation, amortisation and impairment	141.05	42.97
Interest on income tax refund	(5.80)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	(1.17)	0.51
Impairment on loans	2,748.87	2,450.51
Impairment on investments	42.22	(0.06)
Impairment on undrawn loan commitment	4.39	6.71
Impairment on other assets	(0.60)	(74.90)
Net (gain)/loss on fair value changes on investment	0.87	(0.52)
Net (gain)/loss on fair value changes on derivatives	5.88	3.10
<b>Operating profit before working capital changes</b>	<b>6,374.50</b>	<b>6,199.93</b>
<b>Movements in Working capital:</b>		
Decrease/(increase) in loans	(8,229.03)	(8,456.35)
(Increase)/decrease in investments	1,157.38	(1,657.13)
Decrease/(increase) in receivables	12.28	(10.98)
Decrease/(increase) in bank deposits	(1,273.60)	(368.49)
Decrease/(increase) in other financial assets	(7.67)	75.49
Decrease/(increase) in other non-financial assets	(28.09)	(3.43)
Increase/(decrease) in payables	10.38	(86.31)
Increase/(decrease) in other financial liabilities	(104.04)	126.22
Increase/(decrease) in non-financial liabilities	13.79	(3.83)
Increase/(decrease) in other provision	7.69	2.31
<b>Cash generated from operations</b>	<b>(2,066.41)</b>	<b>(4,182.57)</b>
Direct taxes paid (net of refunds)	(1,065.03)	(1,352.41)
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(3,131.44)</b>	<b>(5,534.98)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(57.80)	(77.97)
Proceeds from sale of property, plant and equipment and intangible assets	2.60	1.83
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(55.20)</b>	<b>(76.14)</b>
<b>C. Cash flow from Financing activities</b>		
Derivatives	(826.31)	64.46
Amount received from deposits received (including ICDs)	4,433.61	5,006.10
Repayment of deposits	(2,940.82)	(3,315.19)
Amount received from debt securities	13,085.18	9,057.53
Repayment of debt securities	(9,557.89)	(6,562.70)
Amounts received from subordinated debts	-	2,360.00
Repayment of subordinated debts	(449.01)	(864.56)
Amount received from borrowings other than debt securities	42,569.54	56,824.89
Repayment of borrowings other than debt securities	(40,683.27)	(56,722.52)
Payment of lease liabilities	(56.20)	-
Dividend paid	(272.38)	(247.16)
Tax on dividend	(55.96)	(51.30)
<b>Net cash flows from financing activities (C)</b>	<b>5,246.49</b>	<b>5,549.55</b>
Net increase in cash and cash equivalents (A+B+C)	2,059.85	(61.57)
Cash and cash equivalents at the beginning of the year	1,029.14	1,090.71
<b>Cash and cash equivalents at the end of the year</b>	<b>3,088.99</b>	<b>1,029.14</b>
<b>Net cash provided by (used in) operating activities includes</b>		
Interest received on loans	14,487.74	14,842.91
Interest paid	(5,923.07)	(5,813.03)
Dividend received	0.19	4.99

**Components of cash and cash equivalents**

(Rs. in crores)

Cash and cash equivalents at the end of the year	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
i) Cash on hand	41.24	123.47
ii) Cheques on hand	2.38	18.18
iii) Balances with banks (of the nature of cash and cash equivalents)	1,810.59	761.67
iv) Bank deposit with original maturity less than three months	1,234.78	125.82
<b>Total</b>	<b>3,088.99</b>	<b>1,029.14</b>

- 3 The above results of Shriram Transport Finance Company Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 10, 2020.
- 4 The consolidated financial results for the quarter and year ended March 31, 2020 have been audited by the Statutory Auditors.
- \* 5 The figures for the fourth quarter of the current year are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to third quarter which was subjected to Limited Review. As permitted under Regulation 33 (3) (b) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had opted to publish only Standalone financial results during the interim periods for the previous nine months period ended December 31, 2018. Accordingly, the consolidated financial results have been presented only for the year ended March 31, 2019 and hence, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the Board approved year-to-date figures for the nine months period ended December 31, 2018.
- 6 Effective April 01, 2019, the Company and its associate adopted Ind AS 116 "Leases" and applied the same to the lease contracts existing on April 01, 2019 using the modified retrospective approach, recognizing right-of-use asset and adjusted lease liability. Accordingly, comparatives for the year ended March 31, 2019 and other periods disclosed have not been retrospectively adjusted. The effect of the adoption is not significant to the profit for the year.
- 7 The Company has opted for reduced income tax rate as per the newly inserted section 115BAA of the Income Tax Act, 1961.
- 8 The Company made Public Issue of Secured Redeemable Non-Convertible Debentures ("NCDs"), of face value of Rs. 1,000/- each, of Base Issue Size of Rs. 200 crores with an option to retain oversubscription aggregating upto Rs. 1,000 crores ("Tranche 2 Issue Limit") ("Tranche 2 Issue"). The Tranche 2 Issue opened on January 6, 2020 and closed on January 22, 2020. The Company made an allotment of 1,936,671 NCDs aggregating to Rs. 193.67 crores on January 28, 2020. The proceeds of the issue have been utilised for the purpose of onward disbursements.
- 9 On January 16, 2020, the Company issued and allotted USD 500,000,000 5.100% Senior Secured Notes due 2023 in offshore market (Social Bonds) equivalent to Rs. 3,541.75 crores under USD 3,000,000,000 Global Medium Term Note Programme. The said Social Bonds are listed on Singapore Stock Exchange (SGX-ST). The proceeds of the issue of the Social Bonds have been utilised for the purpose of onward lending and other activities as per the Company's Social Finance Framework and as may be permitted by the ECB Directions.
- 10 The spread of SARS-CoV-2 virus (referred as 'COVID-19') across the globe and in India has contributed to a significant decline and volatility in global and Indian financial markets and a shrink in the economic activities. The Government of India declared 21-day nation-wide lock-down to contain the pandemic COVID-19 with effect from March 25, 2020. The Government then extended the lockdown till May 31, 2020. However, the government relaxed the lock-down in certain essential areas including plying commercial vehicles for transportation of essential and non-essential goods across the country. In terms of COVID-19 regulatory package announced by Reserve Bank of India (RBI) on March 27, 2020 and in accordance with the Scheme approved by the Board of directors of the Company, the Company has extended the moratorium to the eligible borrowers for instalments falling due between March 1, 2020 and May 31, 2020. Further, pursuant to RBI notification dated May 23, 2020, the moratorium is given to eligible borrowers for a further period of three months upto August 31, 2020. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The staging of accounts as on March 31, 2020 with respect to assets which were overdue though standard and to whom moratorium has been granted is based on the days past due as on February 29, 2020 keeping it at standstill. Further, estimates and associated assumptions applied in preparing the financial statements, especially in respect of credit loss on loans, are based on historical experience and other emerging/forward looking factors including those arising on account of the COVID-19 pandemic. The Company has used relevant indicators of moratorium, considering various measures taken by Government and other authorities along with an estimation of potential stress on probability of defaults and loss given defaults due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit loss on loans, including on account of potential macro economic conditions. Based on such assessment, the Company has made additional expected credit loss provision of Rs 909.64 crores on account of COVID-19 impact in the financial statement. The impairment loss provided for on account of COVID-19 pandemic is based on the assessment of current situation and the actual impairment loss could be different due to uncertainty over duration of pandemic and restoration of normalcy.
- 11 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at March 31, 2020 and accordingly, no amount is required to be transferred to impairment reserve.
- 12 The Board of Directors at its meeting held on October 24, 2019, had declared interim dividend of Rs. 5/- per equity share of Rs. 10/- each for the financial year 2019-2020. The payment was made on November 19, 2019. In order to conserve cash resources to face the challenges and the contingencies created by Corona virus pandemic, the Board of Directors have not recommended the final dividend. As such, the interim dividend shall be the final dividend for the financial year 2019-20.
- 13 The Company's secured non-convertible debentures are secured by specific assets covered under hypothecation loan agreements and by way of exclusive charge and mortgage of immovable property and with a cover of 100% and above as per the terms of issue.
- 14 The Company operates in a single reporting segment i.e. financing. Its associate is primarily engaged in the business of facilitation service. Since, it does not meet the quantitative thresholds laid down under the Ind AS 108 – "Segment Reporting" for reportable segments, it has not been considered for segment reporting.
- 15 The figures for the previous quarter/year have been regrouped / rearranged wherever necessary to conform to the current period/year presentation.

**By order of the Board  
For Shriram Transport Finance Company Limited**

**Umesh Revankar  
Managing Director & CEO  
DIN: 00141189**

Place : Mumbai  
Date : June 10, 2020