

**SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

CIN: L65191TN1979PLC007874

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020**

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2020 (Unaudited)	31.03.2020 (Audited)*	30.06.2019 (Unaudited)	31.03.2020 (Audited)
	<b>Revenue from operations</b>				
(i)	Interest Income	4,102.58	4,092.18	3,972.06	16,267.46
(ii)	Dividend Income	-	-	-	0.19
(iii)	Rental Income	0.05	0.06	0.05	0.22
(iv)	Fees and commission Income	17.20	44.88	26.75	194.97
(v)	Net gain on fair value changes	-	-	0.56	-
(vi)	Others	21.08	31.30	22.88	99.52
<b>(I)</b>	<b>Total Revenue from operations</b>	<b>4,140.91</b>	<b>4,168.42</b>	<b>4,022.30</b>	<b>16,562.36</b>
<b>(II)</b>	<b>Other Income</b>	<b>3.79</b>	<b>4.62</b>	<b>8.88</b>	<b>20.27</b>
<b>(III)</b>	<b>Total Income (I+II)</b>	<b>4,144.70</b>	<b>4,173.04</b>	<b>4,031.18</b>	<b>16,582.63</b>
	<b>Expenses</b>				
(i)	Finance Costs	2,267.22	2,158.85	2,011.20	8,270.26
(ii)	Fees and commission expense	10.96	6.40	16.97	56.88
(iii)	Net loss on fair value changes	0.53	6.56	-	6.75
(iv)	Impairment on financial instruments (Refer note 5)	1,064.59	1,128.66	561.18	2,794.88
(v)	Employee Benefits Expenses	189.24	272.27	233.09	1,010.82
(vi)	Depreciation, amortization and impairment	36.00	35.71	33.44	141.05
(vii)	Others expenses	145.58	220.69	193.72	863.32
<b>(IV)</b>	<b>Total Expenses</b>	<b>3,714.12</b>	<b>3,829.14</b>	<b>3,049.60</b>	<b>13,143.96</b>
<b>(V)</b>	<b>Profit before exceptional items and tax (III-IV)</b>	<b>430.58</b>	<b>343.90</b>	<b>981.58</b>	<b>3,438.67</b>
<b>(VI)</b>	<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(VII)</b>	<b>Profit before tax (V + VI)</b>	<b>430.58</b>	<b>343.90</b>	<b>981.58</b>	<b>3,438.67</b>
<b>(VIII)</b>	<b>Tax Expense:</b>				
(1)	Current Tax	128.89	164.14	340.41	921.20
(2)	Deferred Tax	(18.37)	(44.46)	6.92	14.79
(3)	Tax adjustment for earlier years	-	0.84	-	0.84
<b>(IX)</b>	<b>Profit for the period (VII - VIII)</b>	<b>320.06</b>	<b>223.38</b>	<b>634.25</b>	<b>2,501.84</b>
<b>(X)</b>	<b>Other Comprehensive Income</b>				
(A) (i)	Items that will not be reclassified to profit or loss Remeasurement gain/(loss) on defined benefit plan	(1.10)	(1.14)	(4.62)	(6.33)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.28	0.28	1.61	1.59
	<b>Subtotal (A)</b>	<b>(0.82)</b>	<b>(0.86)</b>	<b>(3.01)</b>	<b>(4.74)</b>
(B) (i)	Items that will be reclassified to profit or loss Cash flow hedge reserve (Refer note 6)	(254.75)	-	-	-
(ii)	Income tax relating to items that will be reclassified to profit or loss	64.12	-	-	-
	<b>Subtotal (B)</b>	<b>(190.63)</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other Comprehensive Income (A+B)</b>	<b>(191.45)</b>	<b>(0.86)</b>	<b>(3.01)</b>	<b>(4.74)</b>
<b>(XI)</b>	<b>Total Comprehensive Income for the period (IX+X)</b>	<b>128.61</b>	<b>222.52</b>	<b>631.24</b>	<b>2,497.10</b>
<b>(XII)</b>	<b>Paid-up equity share capital (face value Rs. 10/- per share)</b>	<b>226.88</b>	<b>226.88</b>	<b>226.88</b>	<b>226.88</b>
<b>(XIII)</b>	<b>Other equity</b>				17,778.28
<b>(XIV)</b>	<b>Earnings per equity share (Not annualised for the interim periods)</b>				
	Basic (Rs.)	14.11	9.85	27.96	110.27
	Diluted (Rs.)	14.11	9.85	27.96	110.27

**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 13, 2020.
- 2 The standalone financial results for the quarter ended June 30, 2020 have been subject to limited review by the Joint Statutory Auditors.
- \* 3 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures up to December 31, 2019 which was subject to limited review by the statutory auditors.
- 4 The Company issued and allotted 261,78,777 Equity Shares under rights issue of face value of Rs. 10/- each (Rights Equity Shares) to the eligible equity shareholders at an issue price of Rs. 570/- per Equity Share (including premium of Rs. 560/- per Equity Share). The Issue opened on July 16, 2020 and closed on July 30, 2020. The Rights Equity Shares were allotted on August 06, 2020. The issue proceeds is being utilised as per the objects stated in the offer document for the Rights issue.
- 5 The Company has granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 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 Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.  
The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. Due to lockdown, the Company's disbursement of loans and recovery of dues from its customers have been significantly affected during the quarter ended June 30, 2020.  
The Company has considered an additional Expected Credit Loss (ECL) provision on Loans of Rs. 956.15 crores on account of COVID – 19 during the quarter ended June 30, 2020 . The additional ECL provision on account of COVID – 19 is based on the Company's historical experience and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.
- 6 The Company manages its foreign currency risks through foreign exchange forward contracts and interest rate swaps. Till March 31, 2020, the Company was following derivative accounting where changes in fair value were recognised in the statement of profit and loss. Effective April 01, 2020, the Company has adopted hedge accounting. Had the Company not followed hedge accounting, profit before tax for the quarter ended June 30, 2020 would have been lower by Rs. 254.75 crores.
- 7 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.
- 8 The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.
- 9 The figures for the previous quarter/year have been regrouped / rearranged wherever necessary to conform to the current period presentation.

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

Place : Mumbai  
Date : August 13, 2020

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