

Our AUM has crossed

₹1,  Cr

Just another milestone in our growth journey

Shriram Transport Finance Company Ltd

Investor Update – Q1 FY2020

July 24, 2019



Performance Highlights – Q1 FY20 vs Q1 FY19

Total Income

8.85%



Q1 FY20

Rs 40,616.5 mn

Q1 FY19

Rs 37,313.1 mn

Net Interest Income*

7.62%



Q1 FY20

Rs 19,617.4 mn

Q1 FY19

Rs 18,228.9 mn

* including Direct assignment Income Rs. 110.26 Mn
(Q1 FY19 Rs. -6.41 Mn)

* Cost to income ratio at 21.78% in Q1 FY20 as compared to 23.04% in Q1 FY19

PAT

10.71%



Q1 FY20

Rs 6,342.5 mn

Q1 FY19

Rs 5,729.0 mn

EPS

10.73%



Q1 FY20

Rs 27.96

Q1 FY19

Rs 25.25

Performance Highlights – Q1 FY20 vs Q1 FY19

AUM	5.77% ↑	Q1 FY20 Q1 FY19	Rs 1,063,434.8 mn Rs 1,005,405.7 mn
Gross Stage 3 assets	2.53% ↓	Q1 FY20 Q1 FY19	Rs 89,257.4 mn Rs 91,573.1 mn
Net Stage 3 assets	0.76% ↑	Q1 FY20 Q1 FY19	Rs 60,851.7 mn Rs 60,394.9 mn
Book Value	15.05% ↑	Q1 FY20 Q1 FY19	Rs 717.38 Rs 623.55

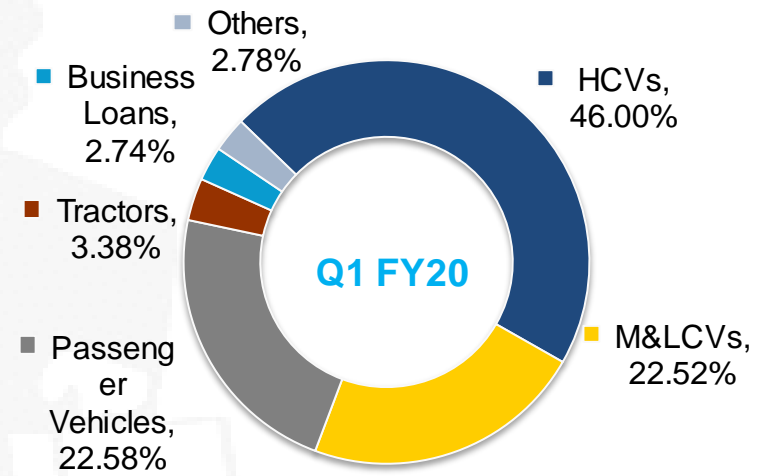
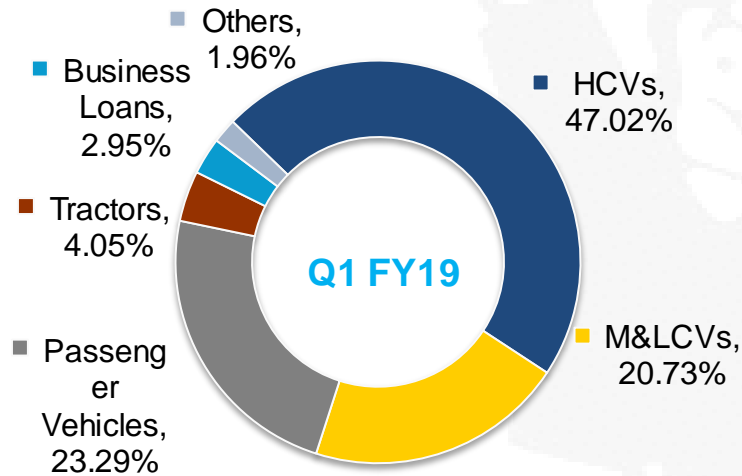
* CRAR at 20.07% as of Q1 FY20 compared to 16.92% as of Q1 FY19.

AUM Break-up

Particulars (Rs. mn)	Q1 FY19	Q4 FY19	Q1 FY20	YoY (%)	QoQ (%)	FY19
Loan Portfolio						
- On Books						
Balance sheet assets	824,615.1	850,847.3	846,514.5	2.66%	-0.51%	850,847.3
Securitised assets	180,410.6	172,227.7	197,499.7	9.47%	14.67%	172,227.7
Total On books	1,005,025.7	1,023,075.0	1,044,014.2	3.88%	2.05%	1,023,075.0
- Off Books*	380.0	21,747.9	19,420.6	5010.68%	-10.70%	21,747.9
Total AUM	1,005,405.7	1,044,822.9	1,063,434.8	5.77%	1.78%	1,044,822.9
- New	121,371.4	115,940.8	114,504.5	-5.66%	-1.24%	115,940.8
- Used	834,641.7	870,499.7	890,205.4	6.66%	2.26%	870,499.7
- Business Loans	29,656.3	29,710.3	29,120.9	-1.81%	-1.98%	29,710.3
- Working capital loans	18,949.0	28,073.1	28,983.4	52.95%	3.24%	28,073.1
- Others	787.3	599.0	620.6	-21.17%	3.61%	599.0
Total AUM	1,005,405.7	1,044,822.9	1,063,434.8	5.77%	1.78%	1,044,822.9

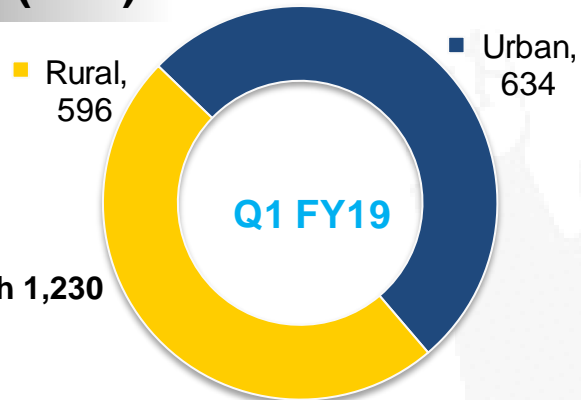
*Off Books pertains to Direct assignment portfolio

Segment-wise AUM Break up

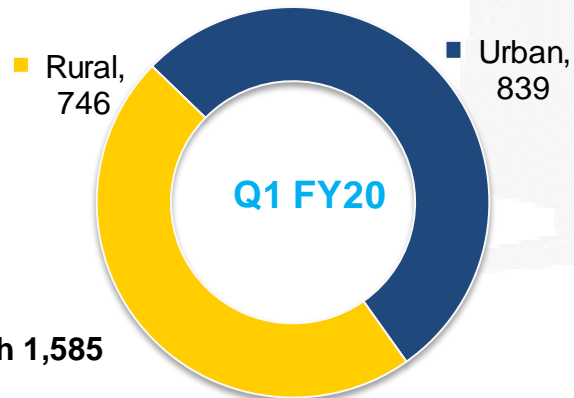


Branch & AUM distribution – Q1 FY19 vs Q1 FY20

Branch (Nos)

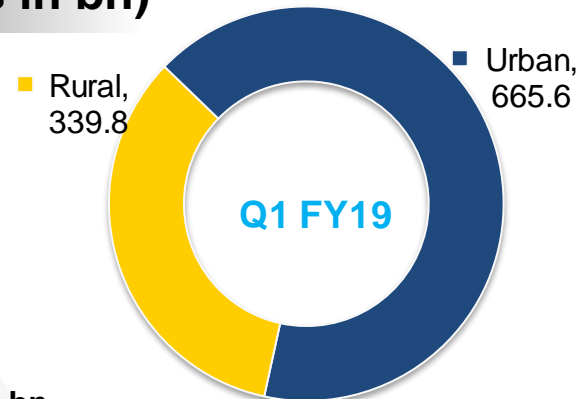


Total Branch 1,230

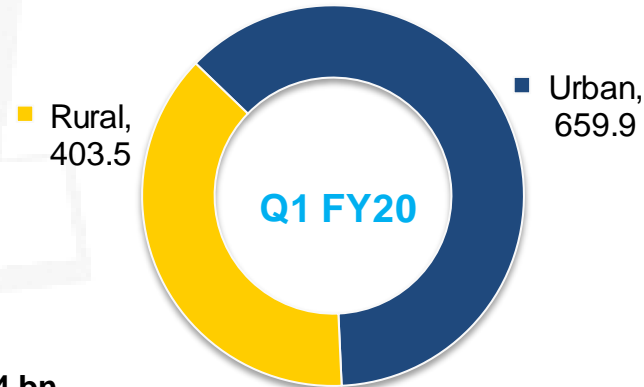


Total Branch 1,585

AUM (Rs in bn)



Total AUM
Rs 1,005.4 bn



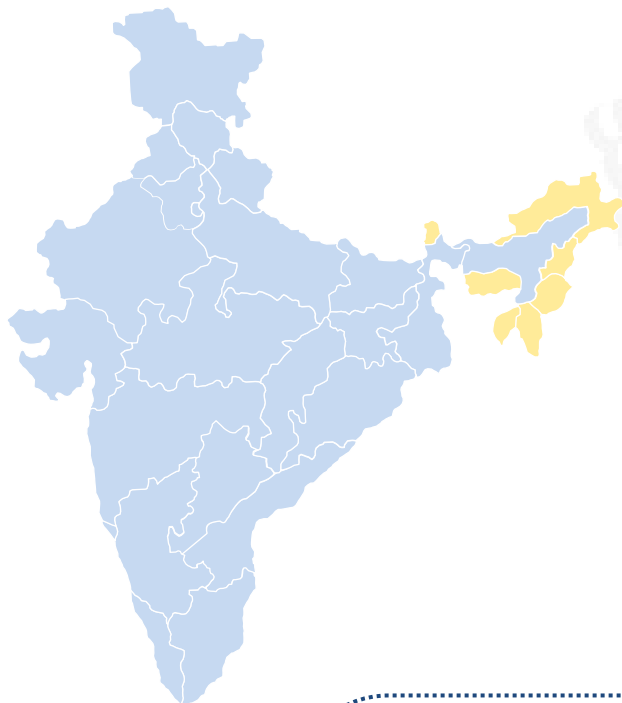
Total AUM
Rs 1,063.4 bn

Provision Analysis

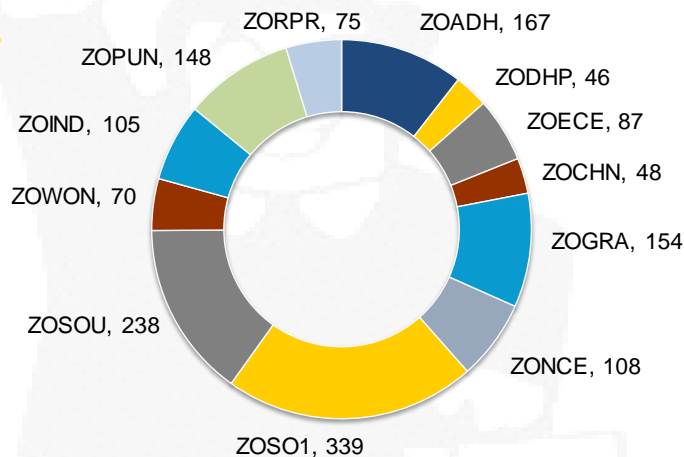
As per IND AS

Particulars (Rs. mn)	Q1 FY19	Q4 FY19	Q1 FY20	YoY (%)	QoQ (%)	FY19
Gross Stage 3	91,573.1	86,222.7	89,257.4	-2.53%	3.52%	86,222.7
ECL provision-Stage 3	31,178.2	29,670.0	28,405.7	-8.89%	-4.26%	29,670.0
Net Stage 3	60,394.9	56,552.7	60,851.7	0.76%	7.60%	56,552.7
Gross Stage 3 (%)	9.06%	8.37%	8.52%	-6.04%	1.71%	8.37%
Net Stage 3 (%)	6.17%	5.65%	5.97%	-3.25%	5.53%	5.65%
Coverage Ratio (%) Stage 3	34.05%	34.41%	31.82%	-6.53%	-7.52%	34.41%
Gross Stage 1 & 2	918,789.2	943,584.7	958,894.9	4.37%	1.62%	943,584.7
ECL provision-Stage 1 & 2	23,413.3	26,037.0	27,623.7	17.98%	6.09%	26,037.0
Net Stage 1 & 2	895,376.0	917,547.7	931,271.2	4.01%	1.50%	917,547.7
ECL provision (%) Stage 1 & 2	2.55%	2.76%	2.88%	13.05%	4.40%	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

1,585

Branch
Offices

2.05mn

Customers

27,174

Employees

16,471

Field Officers

500

Private
Financiers

856

Rural
Centres

Branch Network

P&L Statement

Particulars (Rs. mn)	Q1 FY19	Q4 FY19	Q1 FY20	YoY (%)	QoQ (%)	FY19
Interest income	37,116.5	38,449.6	40,014.6	7.81%	4.07%	154,441.4
Interest expended	18,887.6	19,391.0	20,397.2	7.99%	5.19%	76,366.0
Net interest income	18,228.9	19,058.6	19,617.4	7.62%	2.93%	78,075.4
Other Operating Income	41.8	73.4	131.5	214.59%	79.16%	241.8
Operating income	18,270.7	19,132.0	19,748.9	8.09%	3.22%	78,317.2
Operating expenditure	4,348.4	4,288.0	4,464.5	2.67%	4.12%	17,480.7
Core operating profit *	13,922.3	14,844.0	15,284.4	9.78%	2.97%	60,836.5
Other income	134.7	276.4	143.2	6.31%	-48.19%	768.8
Operating profit	14,057.0	15,120.4	15,427.6	9.75%	2.03%	61,605.3
Loan Losses & Provision	5,226.6	5,398.0	5,611.8	7.37%	3.96%	23,822.6
Profit before tax	8,830.4	9,722.4	9,815.8	11.16%	0.96%	37,782.7
Tax Expense	3,101.4	2,262.0	3,473.3	11.99%	53.55%	12,142.8
Profit after tax	5,729.0	7,460.4 #	6,342.5	10.71%	-14.98%	25,639.9
Other comprehensive Income (Net)	-11.8	1.9	-30.1	155.08%	-1684.21%	-23.2
Total Comprehensive Income	5,717.2	7,462.3	6,312.4	10.41%	-15.41%	25,616.7
EPS (Rs)	25.25	32.88	27.96	10.73%	-14.96%	113.01
Tier I CRAR %	14.34%	15.62%	15.87%	10.64%	1.58%	15.62%
Tier II CRAR %	2.58%	4.65%	4.20%	62.79%	-9.66%	4.65%
Total CRAR %	16.92%	20.27%	20.07%	18.59%	-0.99%	20.27%
Book Value (Rs)	623.55	697.99	717.38	15.05%	2.78%	697.99

*Before Provisions & Contingencies

#Note – Profit after tax for Q4 FY19 is higher by Rs. 1,098.2 mn on account of tax adjustment for earlier years.

Balance Sheet

Particulars (Rs. mn)	Jun-18	Mar-19	Jun-19	YoY (%)	QoQ (%)
I. ASSETS					
Financial Assets					
Cash and cash equivalents	3,519.4	10,291.4	31,534.4	796.02%	206.42%
Bank Balance other than above	25,783.1	29,523.3	34,260.2	32.88%	16.04%
Derivative financial instruments	3,500.0	217.2	127.3	-96.36%	-41.39%
Receivables					
(I) Trade Receivables	63.7	84.8	38.0	-40.35%	-55.19%
(II) Other Receivables	69.7	199.4	220.5	216.36%	10.58%
Loans	950,518.9	967,514.9	988,118.4	3.96%	2.13%
Investments	24,313.8	39,990.7	26,300.7	8.17%	-34.23%
Other Financial assets	419.7	417.6	433.9	3.38%	3.90%
Non Financial assets					
Current tax assets (net)	840.6	1,065.8	1,065.8	26.79%	0.00%
Deferred tax assets (net)	356.2	757.0	703.9	97.61%	-7.01%
Investment Property	20.8	20.6	20.6	-0.96%	0.00%
Property, plant and equipment	1,166.3	1,434.6	1,378.5	18.19%	-3.91%
Right of use assets	-	-	3,457.6	0.00%	0.00%
Other Intangible assets	24.2	19.7	17.2	-28.93%	-12.69%
Other non financial assets	1,453.0	1,387.8	1,435.0	-1.24%	3.40%
Total	1,012,049.4	1,052,924.8	1,089,112.0	7.61%	3.44%

Balance Sheet (Continued)

Particulars (Rs. mn)	Jun-18	Mar-19	Jun-19	YoY (%)	QoQ (%)
II. Liabilities and Equity					
Financial Liabilities					
Derivative financial instruments	3,189.9	834.2	1,351.0	-57.65%	61.95%
Trade Payables	2,159.2	2,036.3	1,459.2	-32.42%	-28.34%
Debt Securities	322,193.8	341,817.6	350,153.1	8.68%	2.44%
Borrowings (other than debt security)	392,767.7	371,893.0	383,609.7	-2.33%	3.15%
Deposits	87,893.7	103,414.6	110,576.4	25.81%	6.93%
Subordinated Liabilities	49,188.6	62,018.8	61,705.7	25.45%	-0.50%
Other Financial liabilities	6,039.6	7,313.0	6,332.1	4.84%	-13.41%
Lease liabilities	-	-	3,577.1	-	-
Non-financial Liabilities					
Current tax liabilities (net)	3,026.5	1,029.7	1,784.5	-41.04%	73.30%
Provisions	1,313.3	1,332.6	3,344.3	154.65%	150.96%
Other non-financial liabilities	2,805.1	2,872.2	2,458.3	-12.36%	-14.41%
Equity					
Equity share capital	2,269.0	2,269.0	2,268.8	-0.01%	-0.01%
Other equity	139,203.0	156,093.8	160,491.8	15.29%	2.82%
Total	1,012,049.4	1,052,924.8	1,089,112.0	7.61%	3.44%

Key Metrics – Q1 FY20

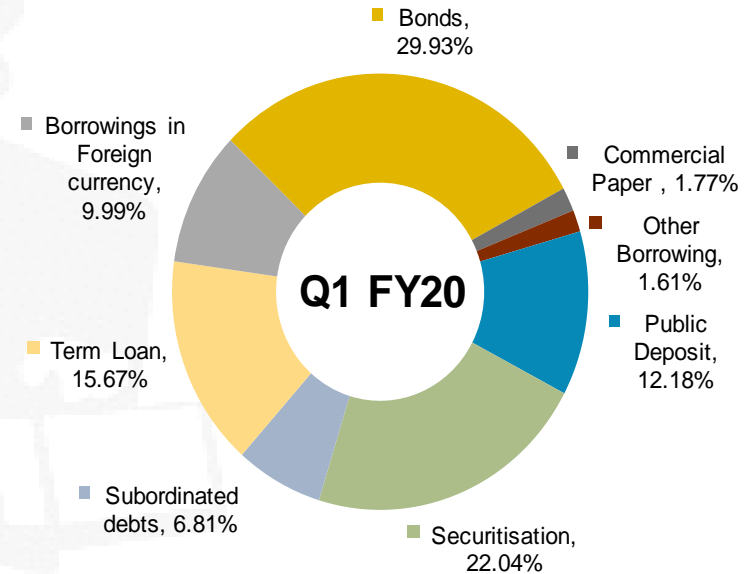
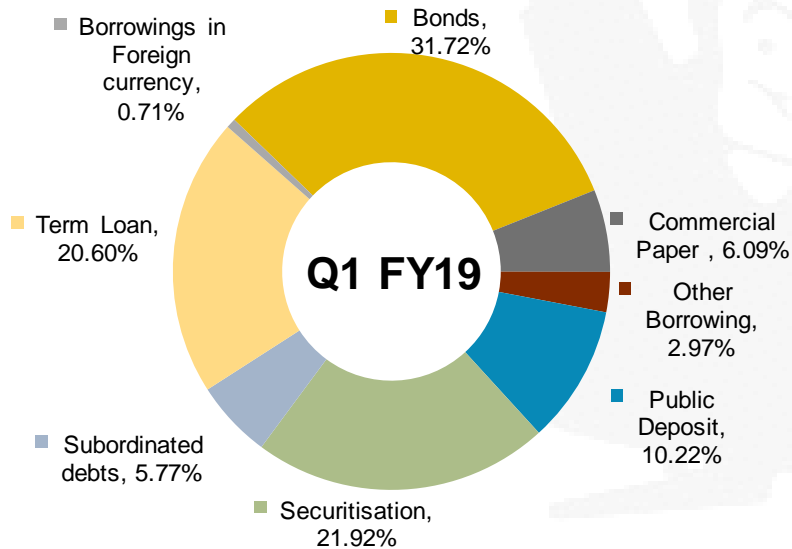
P&L Metrics (Rs. mn)	Q1 FY19	Q4 FY19	Q1 FY20	YoY (%)	QoQ (%)	FY19
Interest Income	37,116.5	38,449.6	40,014.6	7.81%	4.07%	154,441.4
Less: Interest Expenses	18,887.6	19,391.0	20,397.2	7.99%	5.19%	76,366.0
Net Interest Income	18,228.9	19,058.6	19,617.4	7.62%	2.93%	78,075.4
Other Income	176.5	349.8	274.7	55.64%	-21.47%	1,010.6
Profit After Tax	5,729.0	7,460.4 #	6,342.5	10.71%	-14.98%	25,639.9
EPS (Rs.)	25.25	32.88	27.96	10.73%	-14.96%	113.01
Cost to income Ratio (%)	23.04%	21.39%	21.78%	-5.47%	1.82%	21.49%
NIM (on AUM)	7.44%	7.22%	7.16%	-3.76%	-0.83%	7.41%
Balance Sheet Metrics (Rs. mn)	Q1 FY19	Q4 FY19	Q1 FY20	YoY (%)	QoQ (%)	FY19
Networth	141,195.9	158,086.6	162,484.5	15.08%	2.78%	158,086.6
Book Value (Rs.)	623.55	697.99	717.38	15.05%	2.78%	697.99
Interest Coverage (x)	1.97	2.00	1.97	0.00%	-1.50%	2.03
ROA (%)	2.19%	2.65%	2.26%	3.20%	-14.72%	2.33%
ROE (%)	16.53%	19.30%	15.80%	-4.42%	-18.13%	17.52%
CRAR (%)	16.92%	20.27%	20.07%	18.62%	-0.99%	20.27%

#Note – Profit after tax for Q4 FY19 is higher by Rs. 1,098.2 mn on account of tax adjustment for earlier years.

Borrowing Profile as on June 30, 2019 vs June 30, 2018

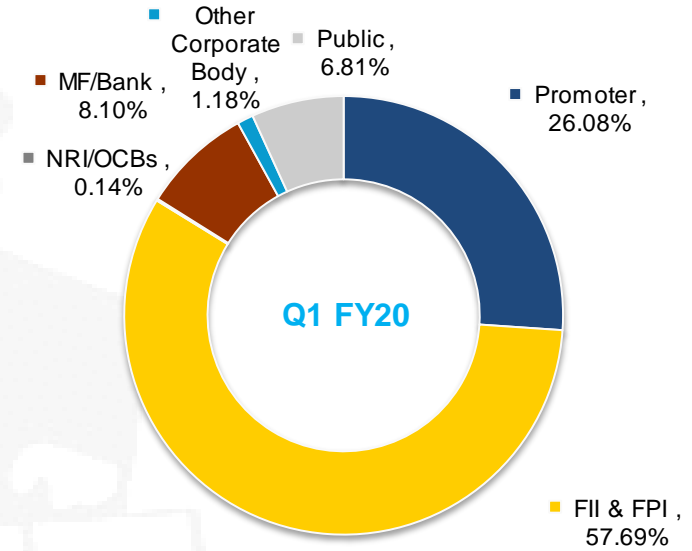
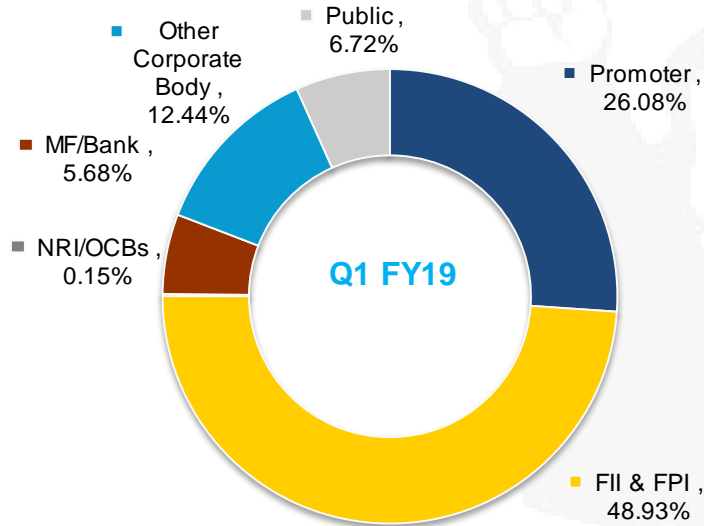
Rs 852.04 bn

Rs 906.04 bn



Shareholding Pattern as on June 30, 2019 vs June 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	59.17	26.08
HDFC Trustee Company Limited-HDFC Several Fund	7.42	3.27
Sanlam Life Insurance Limited	6.76	2.98
SBI Mutual Fund	4.47	1.97
New World Fund Inc	4.39	1.93
Government Pension Fund Global	4.38	1.93
Investec Global Strategy Fund - Asian Equity Fund	3.74	1.65
Abu Dhabi Investment Authority -(Under Various sub accounts)	3.66	1.61
Fidelity Investment Trust Series Emerging Markets	3.27	1.44
Platinum Asia Fund	3.21	1.41
Public & Others	126.41	55.73
Total	226.88	100.00

**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 in India with Assets under management Rs. 106,343.48 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 1,585 branches, and employs 27,174 employees including 16,471 field officers. The company has built a strong customer base of approx. 2.05 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.



Thank You