

**SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**

CIN: L65191TN1979PLC007874

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**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

(Rs. in crores)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019 (Unaudited)	30.06.2019 (Unaudited)	30.09.2018 (Unaudited)	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)	31.03.2019 (Audited)
	<b>Revenue from operations</b>						
(i)	Interest Income	4,109.89	3,986.78	3,914.01	8,096.67	7,616.15	15,384.28
(ii)	Dividend Income	0.19	-	-	0.19	4.99	4.99
(iii)	Rental Income	0.06	0.05	0.06	0.11	0.11	0.22
(iv)	Fees and commission Income	21.01	11.64	11.84	32.65	27.50	71.30
(v)	Net gain on fair value changes	63.52	32.50	5.99	96.02	7.89	-
(vi)	Others	22.87	22.88	6.09	45.75	10.60	61.65
<b>(I)</b>	<b>Total Revenue from operations</b>	<b>4,217.54</b>	<b>4,053.85</b>	<b>3,937.99</b>	<b>8,271.39</b>	<b>7,667.24</b>	<b>15,522.44</b>
<b>(II)</b>	<b>Other Income</b>	<b>2.28</b>	<b>7.80</b>	<b>9.76</b>	<b>10.08</b>	<b>11.82</b>	<b>23.26</b>
<b>(III)</b>	<b>Total Income (I+II)</b>	<b>4,219.82</b>	<b>4,061.65</b>	<b>3,947.75</b>	<b>8,281.47</b>	<b>7,679.06</b>	<b>15,545.70</b>
	<b>Expenses</b>						
(i)	Finance Costs	2,113.40	2,043.14	1,850.36	4,156.54	3,704.10	7,511.26
(ii)	Fees and commission expense	17.72	16.97	11.25	34.69	37.67	62.19
(iii)	Net loss on fair value changes	-	-	-	-	-	2.58
(iv)	Impairment on financial instruments	660.65	561.18	683.59	1,221.83	1,206.25	2,382.26
(v)	Employee Benefits Expenses	250.51	233.09	232.09	483.60	457.40	883.06
(vi)	Depreciation, amortization and impairment	35.60	33.44	10.68	69.04	20.57	42.97
(vii)	Others expenses	215.07	192.25	220.75	407.32	431.00	883.11
<b>(IV)</b>	<b>Total Expenses</b>	<b>3,292.95</b>	<b>3,080.07</b>	<b>3,008.72</b>	<b>6,373.02</b>	<b>5,856.99</b>	<b>11,767.43</b>
<b>(V)</b>	<b>Profit / (loss) before exceptional items and tax (III-IV)</b>	<b>926.87</b>	<b>981.58</b>	<b>939.03</b>	<b>1,908.45</b>	<b>1,822.07</b>	<b>3,778.27</b>
<b>(VI)</b>	<b>Exceptional items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(VII)</b>	<b>Profit/(loss) before tax (V +VI)</b>	<b>926.87</b>	<b>981.58</b>	<b>939.03</b>	<b>1,908.45</b>	<b>1,822.07</b>	<b>3,778.27</b>
<b>(VIII)</b>	<b>Tax Expense: (Refer note 5)</b>						
(1)	Current Tax	122.68	340.41	365.09	463.09	658.02	1,346.37
(2)	Deferred Tax	39.14	6.92	(35.64)	46.06	(18.43)	(22.27)
(3)	Tax adjustment for earlier years	-	-	-	-	-	(109.82)
<b>(IX)</b>	<b>Profit/(loss) for the period (VII +VIII)</b>	<b>765.05</b>	<b>634.25</b>	<b>609.58</b>	<b>1,399.30</b>	<b>1,182.48</b>	<b>2,563.99</b>
<b>(X)</b>	<b>Share of Profit/(loss) of associates</b>	<b>3.24</b>	<b>3.19</b>	<b>3.14</b>	<b>6.43</b>	<b>5.60</b>	<b>11.69</b>
<b>(XI)</b>	<b>Minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(XII)</b>	<b>Net Profit/(loss) after taxes, minority interest and share of profit/(loss) of associates (IX+X+XI)</b>	<b>768.29</b>	<b>637.44</b>	<b>612.72</b>	<b>1,405.73</b>	<b>1,188.08</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	(1.40)	(4.58)	(0.14)	(5.98)	(2.01)	(3.70)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	(0.09)	1.60	0.05	1.51	0.69	1.29
	<b>Other Comprehensive Income</b>	<b>(1.49)</b>	<b>(2.98)</b>	<b>(0.09)</b>	<b>(4.47)</b>	<b>(1.32)</b>	<b>(2.41)</b>
<b>(XIV)</b>	<b>Total Comprehensive Income for the period (XII+XIII)</b>	<b>766.80</b>	<b>634.46</b>	<b>612.63</b>	<b>1,401.26</b>	<b>1,186.76</b>	<b>2,573.27</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>226.90</b>
<b>(XVI)</b>	<b>Other Equity</b>						15,735.85
<b>(XVII)</b>	<b>Earnings per equity share (Not annualised for the interim periods)</b>						
	Basic (Rs.)	33.86	28.10	27.01	61.96	52.37	113.52
	Diluted (Rs.)	33.86	28.10	27.01	61.96	52.37	113.52

## STATEMENT OF ASSETS AND LIABILITIES

(Rs. in crores)

Sr. No.	Particulars	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
	<b>ASSETS</b>		
(1)	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	756.47	1,029.14
(b)	Bank Balance other than (a) above	3,803.82	2,952.33
(c)	Derivative financial instruments	171.84	21.72
(d)	Receivables		
	(I) Trade Receivables	11.62	8.48
	(II) Other Receivables	2.99	19.94
(e)	Loans	100,691.37	96,751.49
(f)	Investments	2,890.24	4,125.54
(g)	Other Financial assets	39.75	41.76
(2)	<b>Non-financial Assets</b>		
(a)	Current tax assets (Net)	381.56	106.58
(b)	Deferred tax Assets (Net)	31.13	75.70
(c)	Investment Property	2.05	2.06
(d)	Property, Plant and Equipment	146.44	143.46
(e)	Right of use assets	346.12	-
(f)	Other Intangible assets	2.19	1.97
(g)	Other non-financial assets	150.45	138.78
	<b>Total Assets</b>	<b>109,428.04</b>	<b>105,418.95</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	22.50	83.42
(b)	Payables		
	(I) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	177.90	203.63
	(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	-	-
(c)	Debt Securities	31,077.11	34,181.76
(d)	Borrowings (Other than Debt Securities)	41,948.31	37,189.30
(e)	Deposits	11,450.45	10,341.46
(f)	Subordinated Liabilities	6,117.49	6,201.88
(g)	Other financial liabilities	609.87	731.30
(h)	Lease Liabilities	364.06	-
(2)	<b>Non-Financial Liabilities</b>		
(a)	Current tax liabilities (Net)	102.48	102.97
(b)	Provisions	141.18	133.26
(c)	Other non-financial liabilities	244.15	287.22
(3)	<b>EQUITY</b>		
(a)	Equity Share capital	226.88	226.90
(b)	Other Equity	16,945.66	15,735.85
	<b>Total Liabilities and Equity</b>	<b>109,428.04</b>	<b>105,418.95</b>

Particulars	Half Year Ended	
	30.09.2019 (Unaudited)	30.09.2018 (Unaudited)
<b>A. Cash flow from Operating activities</b>		
Profit before tax	1,908.45	1,822.07
Depreciation, amortisation and impairment	69.04	20.57
Interest on income tax refund	(5.67)	(6.66)
Loss on sale of investments	0.12	-
Loss/(profit) on sale of fixed assets (net)	0.16	0.20
Impairment on loans	1,225.38	1,205.95
Impairment on investments	0.06	-
Impairment on undrawn loan commitment	(3.13)	-
Impairment on other assets	(0.48)	0.30
Net (gain)/loss on fair value changes on investment	0.34	2.66
Net (gain)/loss on fair value changes on derivatives	(96.36)	(10.55)
<b>Operating profit before working capital changes</b>	<b>3,097.91</b>	<b>3,034.54</b>
<b>Movements in Working capital:</b>		
Decrease/(increase) in loans	(5,165.26)	(9,119.74)
(Increase)/decrease in investments	1,241.21	(6.81)
Decrease/(increase) in receivables	13.81	(6.22)
Decrease/(increase) in bank deposits	(851.49)	165.98
Decrease/(increase) in other financial assets	2.49	(5.19)
Decrease/(increase) in other non-financial assets	(11.81)	(5.69)
Increase/(decrease) in interest accrued on borrowings	330.65	59.53
Increase/(decrease) in payables	(25.73)	5.82
Increase/(decrease) in other financial liabilities	(123.26)	(63.64)
Increase/(decrease) in non-financial liabilities	(43.07)	(11.63)
Increase/(decrease) in other provision	10.27	21.98
<b>Cash generated from operations</b>	<b>(1,524.28)</b>	<b>(5,931.07)</b>
Direct taxes paid (net of refunds)	(738.07)	(559.35)
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(2,262.35)</b>	<b>(6,490.42)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(25.43)	(38.93)
Proceeds from sale of property, plant and equipment and intangible assets	0.34	0.30
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>(25.09)</b>	<b>(38.63)</b>
<b>C. Cash flow from Financing activities</b>		
Derivatives	(114.68)	(36.24)
Amount received from deposits received (including ICDs)	2,444.70	2,068.66
Repayment of deposits	(1,455.36)	(1,573.71)
Amount received from debt securities	5,702.36	3,923.52
Repayment of debt securities	(5,605.15)	(3,488.43)
Repayment of subordinated debts	(127.72)	(312.85)
Amount received from borrowings other than debt securities	24,594.94	34,643.43
Repayment of borrowings other than debt securities	(23,205.46)	(29,257.52)
Payment of Lease Liabilities	(27.30)	-
Dividend paid	(158.91)	(138.57)
Tax on dividend	(32.65)	(27.98)
<b>Net cash flows from financing activities (C)</b>	<b>2,014.77</b>	<b>5,800.31</b>
Net increase in cash and cash equivalents (A+B+C)	(272.67)	(728.74)
Cash and cash equivalents at the beginning of the period	1,029.14	1,090.71
<b>Cash and cash equivalents at the end of the period</b>	<b>756.47</b>	<b>361.97</b>
<b>Net cash provided by (used in) operating activities includes</b>		
Interest received	7,672.52	7,220.10
Interest paid	2,994.54	2,818.28
Dividend received	0.19	4.99

**Components of cash and cash equivalents**

(Rs. in crores)

Cash and cash equivalents at the end of the period	As at September 30, 2019	As at September 30, 2018
i) Cash on hand	69.27	90.69
ii) Cheques on hand	10.30	10.36
iii) Balances with banks (of the nature of cash and cash equivalents)	676.45	260.92
iv) Bank deposit with original maturity less than three months	0.45	-
<b>Total</b>	<b>756.47</b>	<b>361.97</b>

- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 24, 2019.
- 4 Effective April 01, 2019, the Company 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 period.
- 5 The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the six months ended September 30, 2019 and re-measured its Deferred Tax Assets based on the rate prescribed in the said section. Accordingly, a net gain of Rs 167.68 crore has been recognized in the statement of Profit and Loss for the quarter ended September 30, 2019. This gain was on account of reduction in income tax rate amounting to Rs 179.77 crore offset by a charge on account of re-measurement of deferred tax assets amounting to Rs 12.09 crore.
- 6 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.
- 7 During the current quarter, the Company issued and allotted USD 250,000,000 5.3750% senior secured notes due 2022 in offshore market (notes) equivalent to Rs. 1,714.38 crores under USD 2,000,000,000 Global Medium Term Note Programme. The said notes are listed on Singapore Stock Exchange (SGX- ST). The proceeds of the issue of the notes have been utilised for the purpose of onward lending and other activities as may be permitted by the ECB Directions.
- 8 Within the Shelf limit of Rs. 10,000 crores of the Shelf Prospectus dated July 9, 2019 issued by the Company with respect to Public Issue of Secured Redeemable Non-Convertible Debentures ("NCDs"), of face value of Rs.1,000/- each, during the quarter ended September 30, 2019, the Company made allotment of 3,399,399 NCDs under Tranche 1 Issue aggregating to Rs. 339.94 crores on August 22, 2019. The proceeds of the Tranche 1 Issue have been utilized for the purpose of onward disbursements.
- 9 Pursuant to the final dividend for the financial year 2018-19 approved by the shareholders at the 40th Annual general meeting held on June 27, 2019, the Company paid the final dividend of 70% ( Rs. 7/- per equity share of nominal face value of Rs. 10/- each fully paid up) aggregating to Rs. 191.46 crores (including tax on dividend of Rs. 32.65 crores). The payment was made on July 04, 2019.
- 10 The Board of Directors have declared an interim dividend of 50% (Rs. 5/- per equity share of face value of Rs.10/- each fully paid up) for the financial year 2019-20.
- 11 In accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Statutory Auditors have carried out a limited review of the consolidated financial results for the quarter and half year ended September 30, 2019. The Consolidated results for quarter and half year ended September 30, 2018 have not been reviewed by auditors.
- 12 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.
- 13 The figures for the previous quarter/period have been regrouped / rearranged wherever necessary to conform to the current period presentation.

**By order of the Board**

**For Shriram Transport Finance Company Limited**

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

Place : Mumbai  
Date : October 24, 2019