

Shriram Transport Finance Company Ltd

Investor Update – Q3 & 9M FY2017

January 31, 2017

Performance Highlights – Q3 FY17 vs Q3 FY16

Total Income	5.8% ↑	Q3 FY17	Rs 27,174.3 mn
		Q3 FY16	Rs 25,684.3 mn
Net Interest Income*	6.9% ↑	Q3 FY17	Rs 14,121.1 mn
		Q3 FY16	Rs 13,205.3 mn
PAT	-7.8% ↓	Q3 FY17	Rs 3,459.6 mn
		Q3 FY16	Rs 3,750.7 mn
EPS	-7.8% ↓	Q3 FY17	Rs 15.25
		Q3 FY16	Rs 16.54

* including Securitisation Income

* Cost to income ratio at 19.54% in Q3 FY17 as compared to 22.82% in Q3 FY16

* Employee strength at 15,993 (including 8,754 field executives) against 17,162 in Q2 FY17

Performance Highlights – 9M FY17 vs 9M FY16

Total Income	10.3% ↑	9M FY17	Rs 81,183.0 mn
		9M FY16	Rs 73,632.8 mn
Net Interest Income*	12.2% ↑	9M FY17	Rs 41,124.9 mn
		9M FY16	Rs 36,649.9 mn
PAT	7.1% ↑	9M FY17	Rs 11,077.1 mn
		9M FY16	Rs 10,342.8 mn
EPS	7.1% ↑	9M FY17	Rs 48.82
		9M FY16	Rs 45.59

* including Securitisation Income

* Cost to income ratio at 21.77% in 9M FY17 as compared to 23.18% in 9M FY16

Performance Highlights – Q3 FY17 vs Q3 FY16

AUM	14.6% ↑	Q3 FY17	Rs 762,813.6 mn
		Q3 FY16	Rs 665,383.5 mn
GNPA	69.8% ↑	Q3 FY17	Rs 43,062.4 mn
		Q3 FY16	Rs 25,357.3 mn
NNPA	110.6% ↑	Q3 FY17	Rs 10,577.2 mn
		Q3 FY16	Rs 5,022.8 mn
Book Value	9.9% ↑	Q3 FY17	Rs 490.99
		Q3 FY16	Rs 446.78

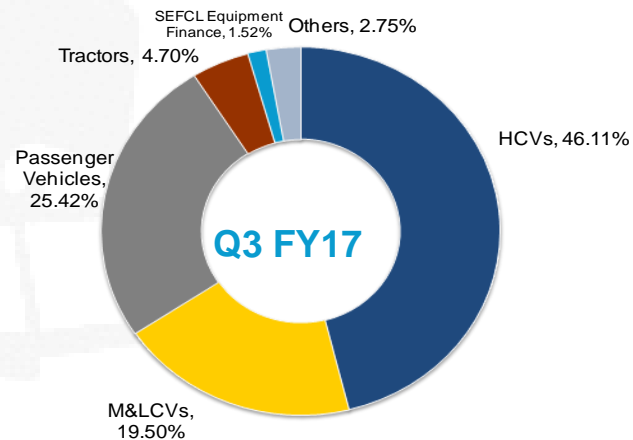
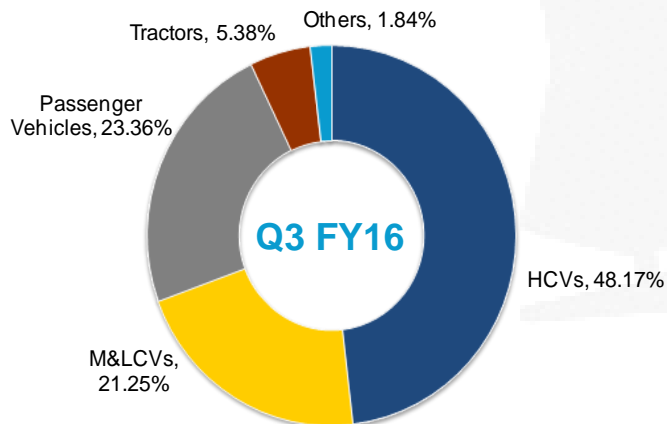
* Change in the NPA recognition norms to 150 days from 180 days from Q4 FY16. Coverage ratio at 75.44% in Q3 FY17 as compared to 80.19% in Q3 FY16

* CRAR at 17.60% at the end of Q3 FY17 as compared to 18.47% at the end of Q3 FY16

AUM Break-up

Particulars (Rs. mn)	Q3 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY (%)	QoQ (%)	9M FY16	9M FY17	YoY (%)	FY16
- On Books	583,926.6	639,619.6	636,887.6	642,706.6	10.07%	0.91%	583,926.6	642,706.6	10.07%	618,783.7
- Off Books	81,456.9	108,465.0	116,338.2	120,107.0	47.45%	3.24%	81,456.9	120,107.0	47.45%	108,822.3
Total AUM	665,383.5	748,084.6	753,225.8	762,813.6	14.64%	1.27%	665,383.5	762,813.6	14.64%	727,606.0
- New	55,435.1	80,381.2	76,013.6	75,401.0	36.02%	-0.81%	55,435.1	75,401.0	36.02%	75,715.1
- Used	609,462.3	667,342.0	676,853.5	687,173.6	12.75%	1.52%	609,462.3	687,173.6	12.75%	651,348.4
- Others	486.1	361.4	358.7	239.0	-50.83%	-33.37%	486.1	239.0	-50.83%	542.5
Total AUM	665,383.5	748,084.6	753,225.8	762,813.6	14.64%	1.27%	665,383.5	762,813.6	14.64%	727,606.0

Segment-wise Break up



Note: The standalone financials from Q4 FY16 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date was April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for Q3 FY16.

NPA Analysis

Particulars (Rs. mn)	Q3 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY (%)	QoQ (%)	9M FY16	9M FY17	YoY (%)	FY16
Gross NPA	25,357.3	41,259.0	42,420.3	43,062.4	69.82%	1.51%	25,357.3	43,062.4	69.82%	38,702.4
Net NPA	5,022.8	12,202.3	12,518.3	10,577.2	110.58%	-15.51%	5,022.8	10,577.2	110.58%	11,437.0
Gross NPA (%)	4.29%	6.38%	6.58%	6.62%	54.31%	0.61%	4.29%	6.62%	54.31%	6.18%
Net NPA (%)	0.88%	1.97%	2.04%	1.71%	94.32%	-16.18%	0.88%	1.71%	94.32%	1.91%
Coverage Ratio (%)	80.19%	70.43%	70.49%	75.44%	-5.92%	7.02%	80.19%	75.44%	-5.92%	70.45%

- * NPA recognition on a 180 dpd basis upto Q3 FY16
- * Have transitioned to NPA recognition on a 150 dpd basis from Q4 FY16
- * Provision Coverage Ratio (PCR) on 150 dpd NPA at ~70.45% in FY16 and 75.44% as on Q3 FY17
- * Pursuant to the amalgamation of Shriram Equipment Finance Co. Ltd. – NPA (on 150 dpd basis) of Rs. 8,937.45 million have been included in the standalone financials for FY16

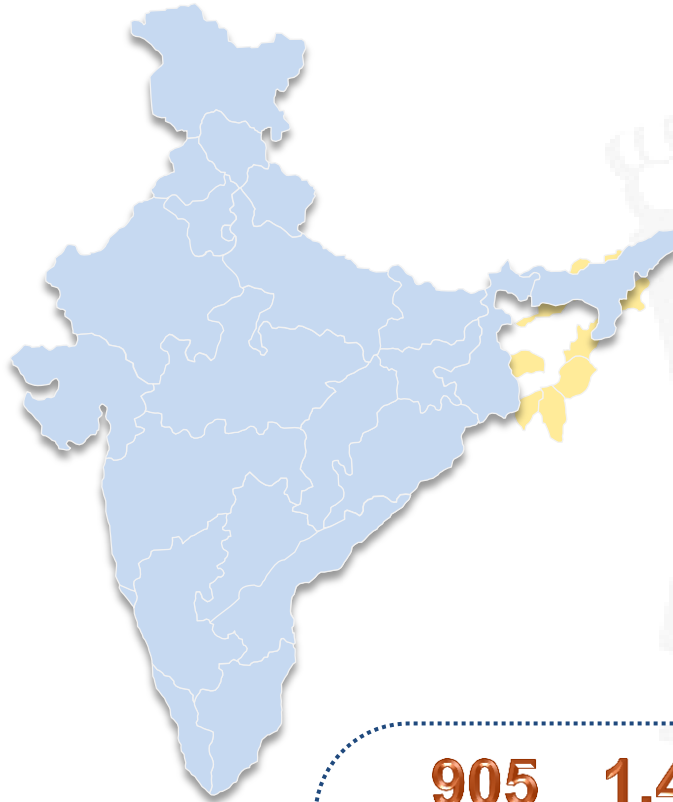
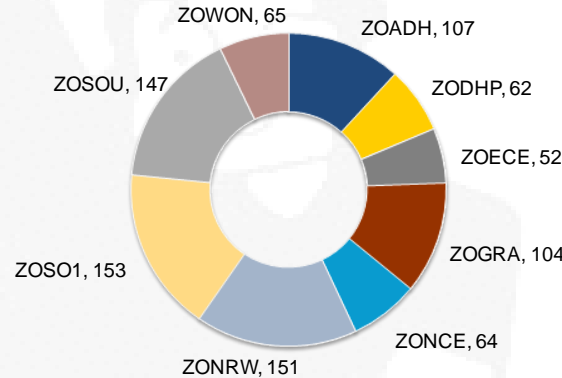
Note: The standalone financials for FY16 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Co. Ltd. which has been amalgamated with STFC - the Appointed date was April 1, 2015.

Well-entrenched Pan India Network

Regional Split of Branches

ABBREVIATIONS

Zone	Zone Name
ZOADH	HYDERABAD ZONE
ZODHP	NORTH II - DELHI ZONE
ZOECE	EAST CENTRAL ZONE
ZOGRW	WEST II - AHMEBABAD ZONE
ZONCE	NORTH I - LUCKNOW ZONE
ZONRW	WEST I - MUMBAI ZONE
ZOSO1	SOUTH I - CHENNAI ZONE
ZOSOU	SOUTH II - BANGALORE ZONE
ZOWON	EAST - CALCUTTA ZONE



Branch Network

905

Branch Offices

1.40mn

Customers

15,993

Employees

8,754

Field Officers

500

Private Financiers

903

Rural Centres

P&L Statement

Particulars (Rs. mn)	Q3 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY (%)	QoQ (%)	9M FY16	9M FY17	YoY (%)	FY16
Interest income	23,677.0	24,763.6	24,626.3	24,437.9	3.21%	-0.77%	68,093.5	73,827.8	8.42%	95,300.1
Interest expended	12,239.4	13,165.2	13,358.4	12,824.9	4.78%	-3.99%	36,269.9	39,348.5	8.49%	50,743.8
Net interest income	11,437.6	11,598.4	11,267.9	11,613.0	1.53%	3.06%	31,823.6	34,479.3	8.35%	44,556.3
Income from securitisation	1,815.2	1,941.0	2,340.1	2,553.4	40.67%	9.11%	4,973.1	6,834.5	37.43%	6,869.4
Less : Securitisation expenses	47.5	65.5	78.1	45.3	-4.63%	-42.00%	146.8	188.9	28.68%	216.2
Income from securitisation (net)	1,767.7	1,875.5	2,262.0	2,508.1	41.88%	10.88%	4,826.3	6,645.6	37.70%	6,653.2
Net interest income (incl. sec)	13,205.3	13,473.9	13,529.9	14,121.1	6.94%	4.37%	36,649.9	41,124.9	12.21%	51,209.5
Other fee based income	22.9	12.3	15.5	18.2	-20.52%	17.42%	64.3	46.0	-28.46%	95.3
Operating income	13,228.2	13,486.2	13,545.4	14,139.3	6.89%	4.38%	36,714.2	41,170.9	12.14%	51,304.8
Operating expenditure	3,286.8	3,340.9	3,138.0	2,905.4	-11.60%	-7.41%	9,193.2	9,384.3	2.08%	13,088.9
Core operating profit *	9,941.4	10,145.3	10,407.4	11,233.9	13.00%	7.94%	27,521.0	31,786.6	15.50%	38,215.9
Other income	168.1	154.6	153.1	164.4	-2.20%	7.38%	500.1	472.1	-5.60%	666.3
Operating profit	10,109.5	10,299.9	10,560.5	11,398.3	12.75%	7.93%	28,021.1	32,258.7	15.12%	38,882.2
Provisions for bad debts	4,323.8	4,549.5	4,631.9	6,089.5	40.84%	31.47%	12,165.0	15,270.9	25.53%	20,568.9
Provisions against standard assets	76.1	53.9	-11.1	15.5	-79.63%	-239.64%	214.0	58.3	-72.76%	499.0
PBT	5,709.6	5,696.5	5,939.7	5,293.3	-7.29%	-10.88%	15,642.1	16,929.5	8.23%	17,814.3
Tax	1,958.9	1,955.5	2,063.2	1,833.7	-6.39%	-11.12%	5,299.3	5,852.4	10.44%	6,032.3
PAT	3,750.7	3,741.0	3,876.5	3,459.6	-7.76%	-10.75%	10,342.8	11,077.1	7.10%	11,782.0
EPS (Rs)	16.54	16.49	17.08	15.25	-7.80%	-10.71%	45.59	48.82	7.08%	51.93
Tier I CRAR %	15.37%	14.83%	15.28%	15.47%	0.65%	1.24%	15.37%	15.47%	0.65%	14.71%
Tier II CRAR %	3.10%	2.54%	2.16%	2.13%	-31.29%	-1.39%	3.10%	2.13%	-31.29%	2.85%
Total CRAR %	18.47%	17.37%	17.44%	17.60%	-4.71%	0.92%	18.47%	17.60%	-4.71%	17.56%
Book Value (Rs)	446.78	463.21	480.44	490.99	9.90%	2.20%	446.78	490.99	9.90%	446.56

*Before Provisions & Contingencies

Note: 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 was April 1, 2015.

Balance Sheet

Particulars (Rs. mn)	Dec-15	Jun-16	Sep-16	Dec-16	YoY (%)	QoQ (%)	Mar-16
Liabilities							
<u>Shareholder funds</u>							
(a) Share capital	2,269.1	2,269.1	2,269.1	2,269.1	0.00%	0.00%	2,269.1
(b) Reserves and surplus	99,356.2	103,013.0	106,889.6	109,256.9	9.96%	2.21%	99,272.1
<u>Non-current liabilities</u>							
(a) Long-term borrowings	302,352.8	301,511.6	319,743.1	314,445.0	4.00%	-1.66%	302,696.7
(b) Other long term liabilities	10,262.1	11,524.5	11,863.1	12,389.1	20.73%	4.43%	11,635.1
(c) Long term provisions	21,227.1	30,273.3	31,129.9	33,706.6	58.79%	8.28%	28,427.2
<u>Current liabilities</u>							
(a) Short-term borrowings	35,821.3	52,505.9	37,164.9	52,985.6	47.92%	42.57%	33,303.5
(b) Trade payables	12,960.0	16,167.4	15,613.6	15,662.9	20.86%	0.32%	15,113.7
(c) Other current liabilities	165,693.4	179,762.3	185,476.8	169,776.5	2.46%	-8.46%	181,819.7
(d) Short-term provisions	3,142.4	6,117.3	4,796.2	5,456.5	73.64%	13.77%	5,096.0
Total	653,084.4	703,144.4	714,946.3	715,948.2	9.63%	0.14%	679,633.1
Assets							
<u>Non-current assets</u>							
(a) Fixed assets							
(i) Tangible assets	979.7	971.6	921.3	867.1	-11.49%	-5.88%	996.1
(ii) Intangible assets	16.0	15.6	14.3	12.8	-20.00%	-10.49%	14.5
(b) Non-current investments	15,578.4	13,182.0	14,114.9	14,490.9	-6.98%	2.66%	12,521.7
(c) Deferred tax assets (net)	2,890.1	3,133.5	3,227.0	3,392.8	17.39%	5.14%	3,077.0
(d) Long term loans and advances	384,755.0	451,021.9	456,643.7	455,570.9	18.41%	-0.23%	430,101.9
(e) Other non-current assets	167.7	183.5	547.4	103.9	-38.04%	-81.02%	138.8
<u>Current assets</u>							
(a) Current investments	7,039.9	40.0	2,500.0	0.0	-100.00%	-100.00%	1,040.0
(b) Cash and bank balances	21,823.6	26,608.9	35,028.9	31,345.7	43.63%	-10.51%	23,638.6
(c) Short-term loans and advances	219,112.2	207,359.3	201,372.2	209,474.7	-4.40%	4.02%	207,598.7
(d) Other current assets	721.8	628.1	576.6	689.4	-4.49%	19.56%	505.8
Total	653,084.4	703,144.4	714,946.3	715,948.2	9.63%	0.14%	679,633.1

Note: 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 was April 1, 2015.

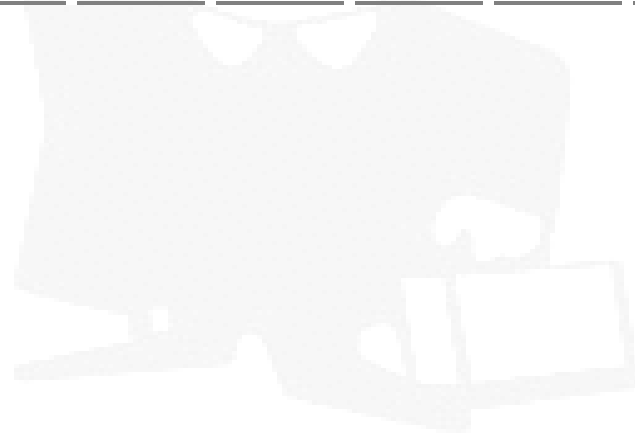
Key Metrics – Q3 FY17

P&L Metrics (Rs. mn)	Q3 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY (%)	QoQ (%)	9M FY16	9M FY17	YoY (%)	FY16
Interest Income	23,677.0	24,763.6	24,626.3	24,437.9	3.21%	-0.77%	68,093.5	73,827.8	8.42%	95,300.1
Securitisation Income	1,767.7	1,875.5	2,262.0	2,508.1	41.88%	10.88%	4,826.3	6,645.6	37.70%	6,653.2
Total Interest Income	25,444.7	26,639.1	26,888.3	26,946.0	5.90%	0.21%	72,919.8	80,473.4	10.36%	101,953.3
Less: Interest Expenses	12,239.4	13,165.2	13,358.4	12,824.9	4.78%	-3.99%	36,269.9	39,348.5	8.49%	50,743.8
Net Interest Income	13,205.3	13,473.9	13,529.9	14,121.1	6.94%	4.37%	36,649.9	41,124.9	12.21%	51,209.5
Other Income	191.0	166.9	168.6	182.6	-4.40%	8.30%	564.4	518.1	-8.20%	761.6
Profit After Tax	3,750.7	3,741.0	3,876.5	3,459.6	-7.76%	-10.75%	10,342.8	11,077.1	7.10%	11,782.0
EPS (Rs.)	16.54	16.49	17.08	15.25	-7.80%	-10.71%	45.59	48.82	7.08%	51.93
Cost to income Ratio (%)	22.82%	23.56%	22.31%	19.54%	-14.37%	-12.42%	23.18%	21.77%	-6.08%	23.79%
NIM (on AUM)	7.59%	7.35%	7.14%	7.17%	-5.53%	0.42%	7.13%	7.22%	1.26%	7.27%

Note: 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 was April 1, 2015.

Key Metrics – Q3 FY17

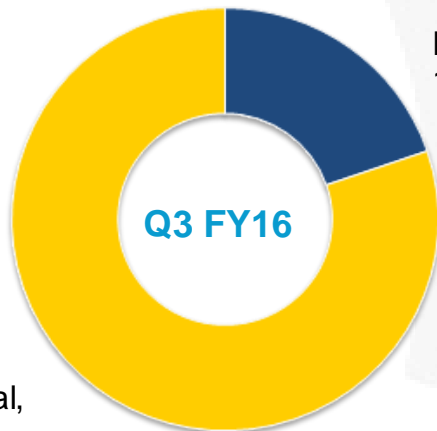
Balance Sheet Metrics (Rs. mn)	Q3 FY16	Q1 FY17	Q2 FY17	Q3 FY17	YoY (%)	QoQ (%)	9M FY16	9M FY17	YoY (%)	FY16
Networth	101,366.5	105,094.1	109,003.4	111,398.0	9.90%	2.20%	101,366.5	111,398.0	9.90%	101,317.8
Book Value (Rs.)	446.78	463.21	480.44	490.99	9.90%	2.20%	446.78	490.99	9.90%	446.56
Securitisation done	19,840	21,619	28,963	26,008	31.09%	-10.20%	43,718	76,590	75.19%	89,918
Interest Coverage (x)	2.10	2.04	2.03	2.12	0.95%	4.43%	2.03	2.06	1.48%	2.03
ROA (%)	2.34%	2.15%	2.17%	1.92%	-17.95%	-11.52%	2.23%	2.08%	-6.73%	1.86%
ROE (%)	14.96%	14.47%	14.46%	12.54%	-16.18%	-13.28%	14.19%	13.80%	-2.75%	11.99%
CRAR (%)	18.47%	17.37%	17.44%	17.60%	-4.71%	0.92%	18.47%	17.60%	-4.71%	17.56%



Note: 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 was April 1, 2015.

Borrowing Profile as on Dec 31, 2016 vs Dec 31, 2015

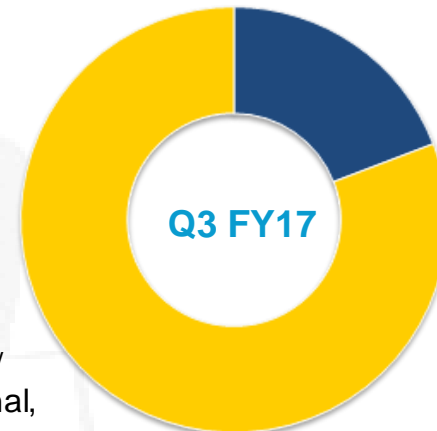
Rs 479.8 bn



Banks /
Institutional,
80.2%

Retail,
19.8%

Rs 511.3 bn

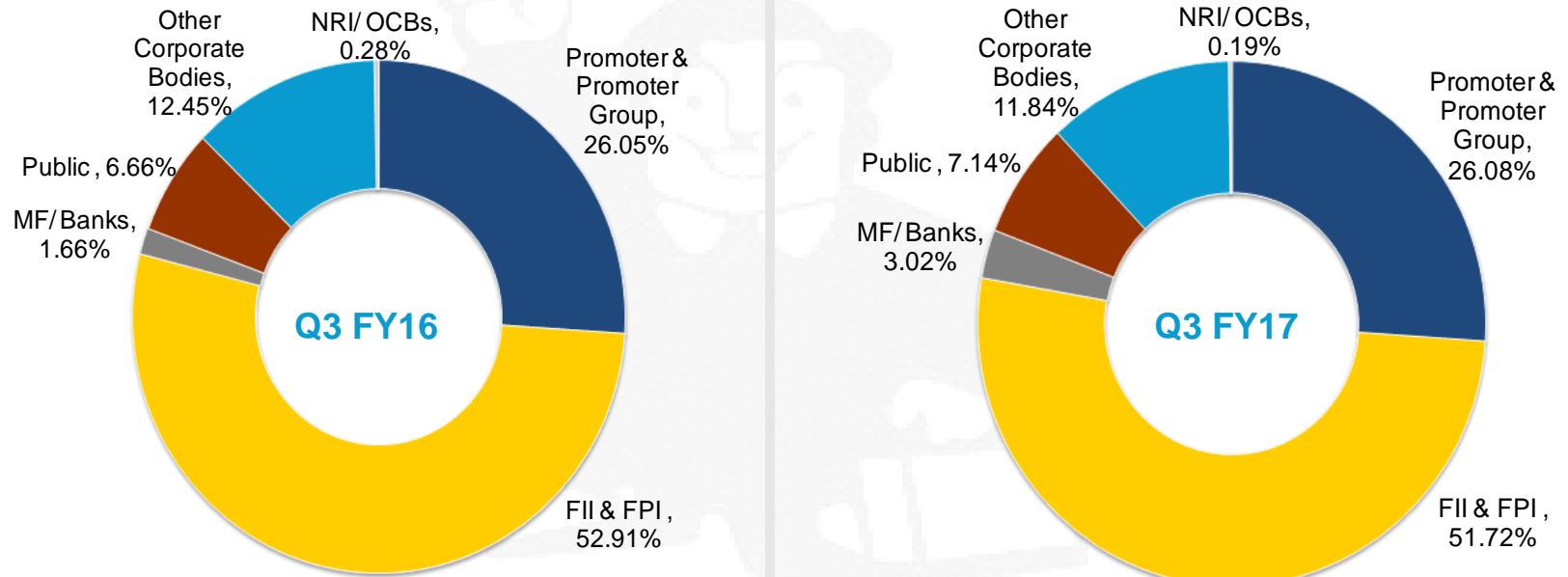


Banks /
Institutional,
80.8%

Retail,
19.2%

Shareholding Pattern as on Dec 31, 2016 vs Dec 31, 2015

No. of shares outstanding: 226.88mn



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
Piramal Enterprises Limited	22.60	9.96
Sanlam Life Insurance Limited	6.76	2.98
Centaura Investments (Mauritius) Pte Ltd	4.32	1.90
New World Fund Inc	3.18	1.40
Stichting Depository Apg Emerging Markets Equity Pool	3.00	1.32
Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Inde X Fund	2.80	1.24
Government of Singapore	2.64	1.16
Oppenheimer International Small Company Fund	2.58	1.14
Platinum Asia Fund	2.41	1.06
Public & Others	117.42	51.76
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 with Assets on Balance sheet of Rs. 64,270.66 crores and off Balance sheet assets of Rs. 12,010.70 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 905 branches, and employs 15,993 employees including 8,754 field officers. The company has built a strong customer base of approx. 1.40 mn. Over the past 38 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