

Shriram Transport Finance Company Ltd

Investor Update – Q1 FY18

July 31, 2017

Performance Highlights – Q1 FY18 vs Q1 FY17

Total Income	7.9% ↑	Q1 FY18, Rs 28,990.0 mn	Q1 FY17 Rs 26,872.8 mn
Net Interest Income*	17.6% ↑	Q1 FY18 Rs 15,852.0 mn	Q1 FY17 Rs 13,473.9 mn
* including Securitisation Income			
PAT	20.0% ↑	Q1 FY18 Rs 4,486.8 mn	Q1 FY17 Rs 3,741.0 mn
EPS	20.0% ↑	Q1 FY18 Rs 19.78	Q1 FY17 Rs 16.49

* Cost to income ratio at 20.17% in Q1 FY18 as compared to 23.56% in Q1 FY17

* Employee strength at 20,489 including 12,331 field executives) in Q1 FY18 against 19,125 in Q1 FY17

Performance Highlights – Q1 FY18 vs Q1 FY17

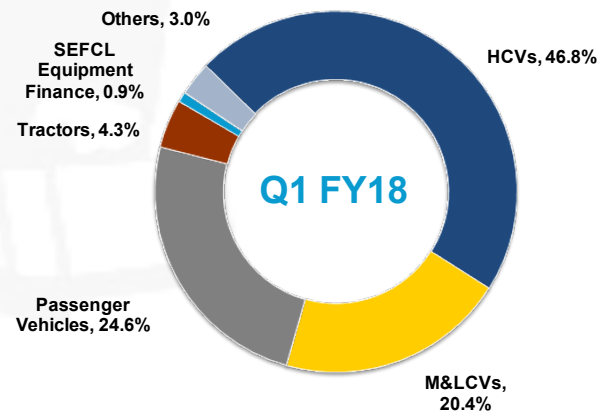
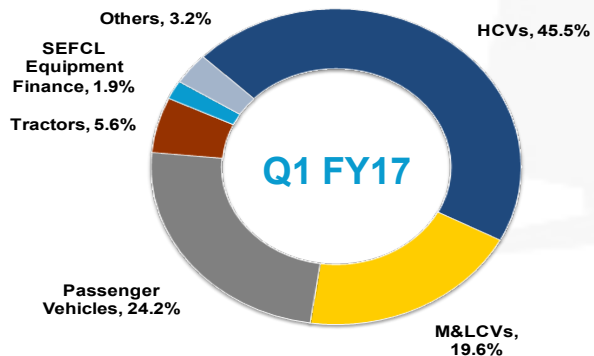
AUM	9.1% ↑	Q1 FY18	Rs 816,119.5 mn
		Q1 FY17	Rs 748,084.6 mn
GNPA	34.5% ↑	Q1 FY18	Rs 55,490.1 mn
		Q1 FY17	Rs 41,259.0 mn
NNPA	32.7% ↑	Q1 FY18	Rs 16,197.3 mn
		Q1 FY17	Rs 12,202.3 mn
Book Value	10.2% ↑	Q1 FY18	Rs 510.38
		Q1 FY17	Rs 463.21

- * In accordance with regulations, shifted NPA recognition norms to 120 days in Q4 FY17 from 150 days earlier.
- * Coverage ratio at 70.81% in Q1FY18 as compared to 70.43% in Q1FY17
- * CRAR at 16.26% as of Q1 FY18 compared to 17.37% as of Q1 FY17.

AUM Break-up

Particulars (Rs. mn)	Q1 FY17	Q4 FY17	Q1 FY18	YoY (%)	QoQ (%)	FY17
- On Books	639,619.6	654,628.7	683,005.6	6.78%	4.33%	654,628.7
- Off Books	108,465.0	132,980.6	133,113.9	22.73%	0.10%	132,980.6
Total AUM	748,084.6	787,609.3	816,119.5	9.09%	3.62%	787,609.3
- New	80,381.2	79,188.7	81,192.4	1.01%	2.53%	79,188.7
- Used	667,342.0	708,110.1	734,592.6	10.08%	3.74%	708,110.1
- Others	361.4	310.5	334.5	-7.44%	7.73%	310.5
Total AUM	748,084.6	787,609.3	816,119.5	9.09%	3.62%	787,609.3

Segment-wise Break up



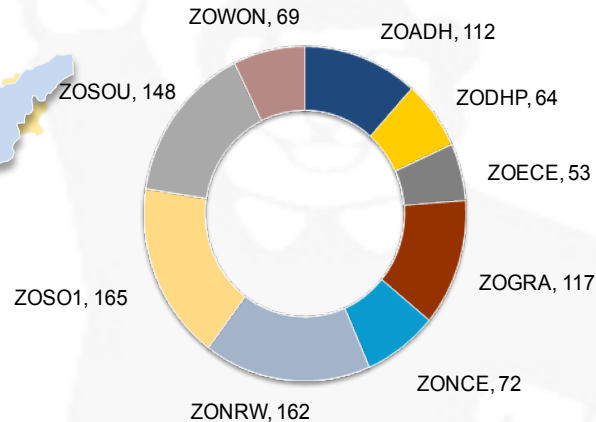
NPA Analysis

Particulars (Rs. mn)	Q1 FY17	Q4 FY17	Q1 FY18	YoY (%)	QoQ (%)	FY17
Gross NPA	41,259.0	54,084.4	55,490.1	34.49%	2.60%	54,084.4
Net NPA	12,202.3	16,590.0	16,197.3	32.74%	-2.37%	16,590.0
Gross NPA (%)	6.38%	8.16%	8.03%	25.86%	-1.59%	8.16%
Net NPA (%)	1.97%	2.65%	2.49%	26.40%	-6.04%	2.65%
Coverage Ratio (%)	70.43%	69.33%	70.81%	0.54%	2.13%	69.33%

- * The company transitioned to 120 dpd NPA recognition from Q4 FY17
 - YoY figures are not comparable since NPA recognition in Q1 FY17 was on 150 dpd basis
- * Provision Coverage Ratio (PCR) on 120 dpd at 70.81% in Q1 FY18 as against 70.43% on 150 dpd in Q1 FY17.

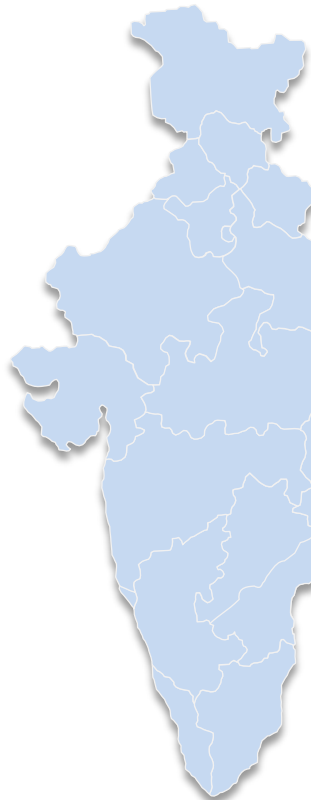
Well-entrenched Pan India Network

Regional Split of Branches



ABBREVIATIONS

Zone	Zone Name
ZOADH	HYDERABAD ZONE
ZODHP	NORTH II - DELHI ZONE
ZOECE	EAST CENTRAL ZONE
ZOGRA	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

962

Branch Offices

1.54 mn

Customers

20,489

Employees

12,331

Field Officers

500

Private Financiers

857

Rural Centres

P&L Statement

Particulars (Rs. mn)	Q1 FY17	Q4 FY17	Q1 FY18	YoY (%)	QoQ (%)	FY17
Interest income	24,763.6	24,185.2	26,198.1	5.79%	8.32%	98,013.0
Interest expended	13,165.2	12,745.5	12,834.5	-2.51%	0.70%	52,094.0
Net interest income	11,598.4	11,439.7	13,363.6	15.22%	16.82%	45,919.0
Income from securitisation	1,941.0	2,697.5	2,571.2	32.47%	-4.68%	9,532.0
Less : Securitisation expenses	65.5	50.3	82.8	26.41%	64.61%	239.2
Income from securitisation (net)	1,875.5	2,647.2	2,488.4	32.68%	-6.00%	9,292.8
Net interest income (incl. sec)	13,473.9	14,086.9	15,852.0	17.65%	12.53%	55,211.8
Other fee based income	12.3	19.2	28.5	131.71%	48.44%	65.2
Operating income	13,486.2	14,106.1	15,880.5	17.75%	12.58%	55,277.0
Operating expenditure	3,340.9	2,903.4	3,379.0	1.14%	16.38%	12,287.7
Core operating profit *	10,145.3	11,202.7	12,501.5	23.22%	11.59%	42,989.3
Other income	154.6	221.0	189.9	22.83%	-14.07%	693.1
Operating profit	10,299.9	11,423.7	12,691.4	23.22%	11.10%	43,682.4
Provisions for bad debts	4,549.5	8,804.9	5,729.2	25.93%	-34.93%	24,075.8
Provisions against standard assets	53.9	309.1	93.5	73.47%	-69.75%	367.4
PBT	5,696.5	2,309.7	6,868.7	20.58%	197.38%	19,239.2
Tax	1,955.5	813.4	2,381.9	21.81%	192.83%	6,665.8
PAT	3,741.0	1,496.3	4,486.8	19.94%	199.86%	12,573.4
EPS (Rs)	16.49	6.60	19.78	19.95%	199.70%	55.42
Tier I CRAR %	14.83%	15.20%	14.89%	0.40%	-2.04%	15.20%
Tier II CRAR %	2.54%	1.74%	1.37%	-46.06%	-21.26%	1.74%
Total CRAR %	17.37%	16.94%	16.26%	-6.39%	-4.01%	16.94%
Book Value (Rs)	463.21	497.71	510.38	10.18%	2.55%	497.71

*Before Provisions & Contingencies

Balance Sheet

Particulars (Rs. mn)	Jun-16	Mar-17	Jun-17	YoY (%)	QoQ (%)
Liabilities					
<u>Shareholder funds</u>					
(a) Share capital	2,269.1	2,269.1	2,269.1	0.00%	0.00%
(b) Reserves and surplus	103,013.0	110,753.2	113,601.6	10.28%	2.57%
<u>Non-current liabilities</u>					
(a) Long-term borrowings	301,511.6	337,001.8	336,810.3	11.71%	-0.06%
(b) Other long term liabilities	11,524.5	13,108.6	12,805.9	11.12%	-2.31%
(c) Long term provisions	30,273.3	38,939.4	40,791.8	34.75%	4.76%
<u>Current liabilities</u>					
(a) Short-term borrowings	52,505.9	49,831.4	68,621.7	30.69%	37.71%
(b) Trade payables	16,167.4	17,321.3	15,772.4	-2.44%	-8.94%
(c) Other current liabilities	179,762.3	170,906.7	181,475.6	0.95%	6.18%
(d) Short-term provisions	6,117.3	3,971.6	6,646.2	8.65%	67.34%
Total	703,144.4	744,103.1	778,794.6	10.76%	4.66%
Assets					
<u>Non-current assets</u>					
(a) Fixed assets					
(i) Property, plant and equipment	971.6	821.7	855.9	-11.91%	4.16%
(ii) Intangible assets	15.6	16.1	18.5	18.59%	14.91%
(b) Non-current investments	13,182.0	14,971.4	14,955.4	13.45%	-0.11%
(c) Deferred tax assets (net)	3,133.5	3,622.8	3,884.0	23.95%	7.21%
(d) Long term loans and advances	451,021.9	473,088.8	490,129.5	8.67%	3.60%
(e) Other non-current assets	183.5	751.5	137.2	-25.23%	-81.74%
<u>Current assets</u>					
(a) Current investments	40.0	522.1	3,100.0	7650.00%	493.76%
(b) Cash and bank balances	26,608.9	44,406.9	48,342.1	81.68%	8.86%
(c) Short-term loans and advances	207,359.3	205,313.1	216,680.3	4.50%	5.54%
(d) Other current assets	628.1	588.7	691.7	10.13%	17.50%
Total	703,144.4	744,103.1	778,794.6	10.76%	4.66%

Key Metrics – Q1 FY18

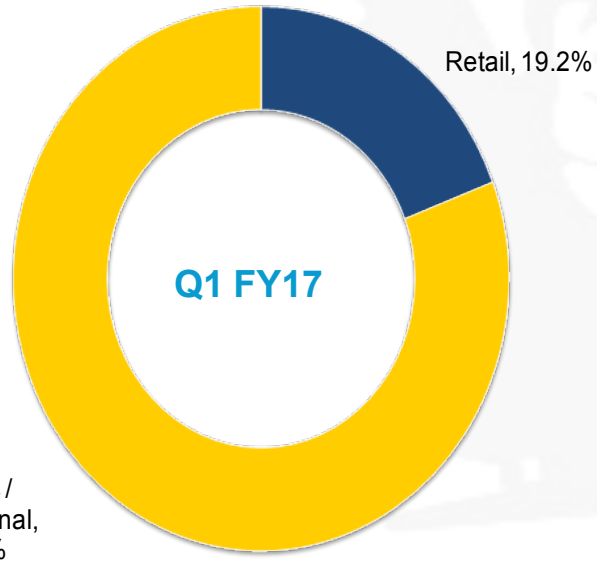
P&L Metrics (Rs. mn)	Q1 FY17	Q4 FY17	Q1 FY18	YoY (%)	QoQ (%)	FY17
Interest Income	24,763.6	24,185.2	26,198.1	5.79%	8.32%	98,013.0
Securitisation Income	1,875.5	2,647.2	2,488.4	32.68%	-6.00%	9,292.8
Total Interest Income	26,639.1	26,832.4	28,686.5	7.69%	6.91%	107,305.8
Less: Interest Expenses	13,165.2	12,745.5	12,834.5	-2.51%	0.70%	52,094.0
Net Interest Income	13,473.9	14,086.9	15,852.0	17.65%	12.53%	55,211.8
Other Income	166.9	240.2	218.4	30.86%	-9.08%	758.3
Profit After Tax	3,741.0	1,496.3	4,486.8	19.94%	199.86%	12,573.4
EPS (Rs.)	16.49	6.60	19.78	19.95%	199.70%	55.42
Cost to income Ratio (%)	23.56%	19.35%	20.17%	-14.39%	4.24%	21.15%
NIM (on AUM)	7.35%	6.97%	7.51%	2.18%	7.75%	7.16%

Key Metrics – Q1 FY18

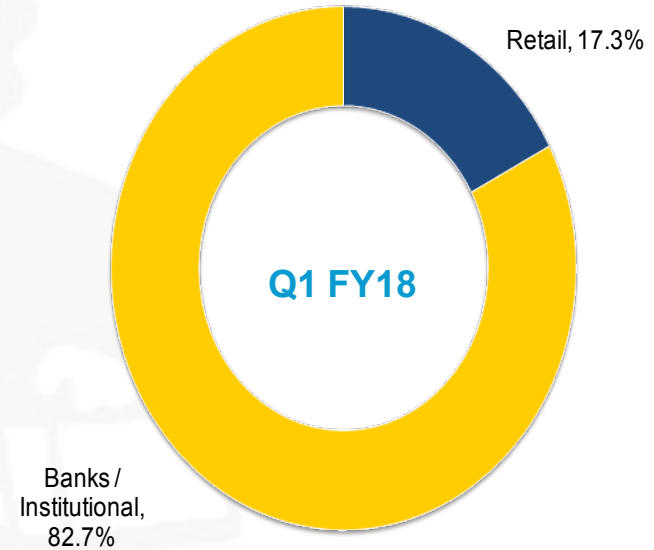
Balance Sheet Metrics (Rs. mn)	Q1 FY17	Q4 FY17	Q1 FY18	YoY (%)	QoQ (%)	FY17
Networth	105,094.1	112,921.6	115,797.3	10.18%	2.55%	112,921.6
Book Value (Rs.)	463.21	497.71	510.38	10.18%	2.55%	497.71
Securitisation done	21,619	35,552	22,242	2.88%	-37.44%	112,142
Interest Coverage (x)	2.04	2.13	2.26	10.78%	6.10%	2.08
ROA (%)	2.15%	0.81%	2.34%	8.84%	188.89%	1.76%
ROE (%)	14.47%	5.33%	15.68%	8.36%	194.18%	11.61%
CRAR (%)	17.37%	16.94%	16.26%	-6.39%	-4.01%	16.94%

Borrowing Profile as on June 30, 2017 vs June 30, 2016

Rs 509.5 bn

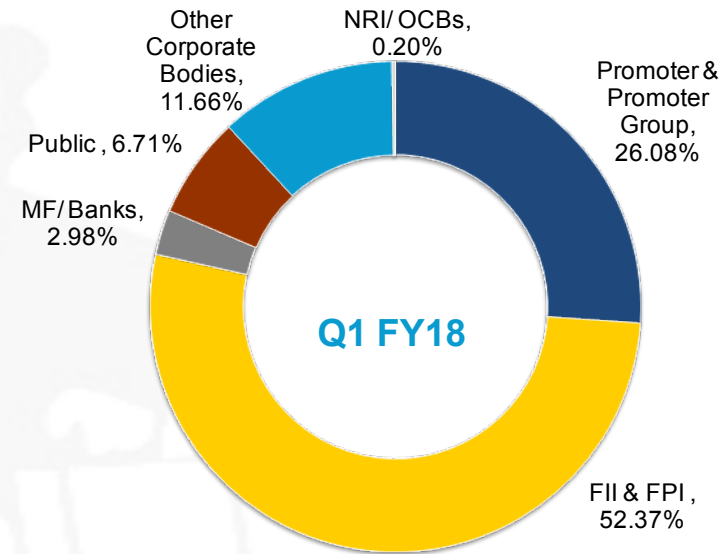
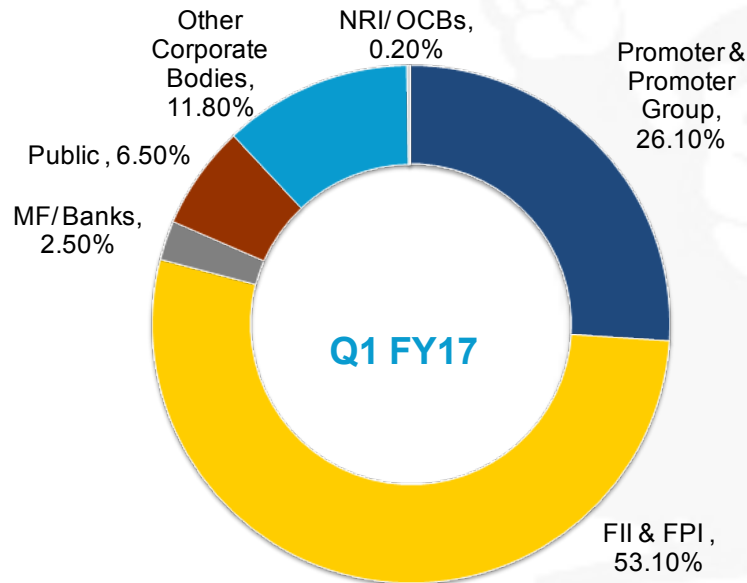


Rs 556.5 bn



Shareholding Pattern as on June 30, 2017 vs June 30, 2016

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
Piramal Enterprises Limited	22.60	9.96
Sanlam Life Insurance Limited	6.76	2.98
Centaura Investments (Mauritius) Pte Limited	4.32	1.90
Vanguard Emerging Markets Stock Index Fund	2.98	1.31
Oppenheimer International Small Company Fund	2.85	1.26
New World Fund Inc	2.80	1.23
Government Of Singapore	2.70	1.19
Stichting Depository Apg Emerging Markets Equity Pool	2.69	1.18
Platinum Asia Fund	2.41	1.06
Vanguard total international stock index fund	2.10	0.93
Public & Others	115.50	50.92
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. 68,300.56 crores and off Balance sheet assets of Rs. 13,311.39 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 962 branches, and employs 20,489 employees including 12,331 field officers. The company has built a strong customer base of approx. 1.54 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