

Shriram Transport Finance Company Ltd

Investor Update – Q4 FY17 & FY 2016-17

April 27, 2017

Performance Highlights – Q4 FY17 vs Q4 FY16

Total Income	-7.4% ↓	Q4 FY17	Rs 27,123.1 mn
		Q4 FY16	Rs 29,302.0 mn
Net Interest Income*	-3.2% ↓	Q4 FY17	Rs 14,086.9 mn
		Q4 FY16	Rs 14,559.6 mn
* including Securitisation Income			
PAT	4.0% ↑	Q4 FY17	Rs 1,496.3 mn
		Q4 FY16	Rs 1,439.2 mn
EPS	4.0% ↑	Q4 FY17	Rs 6.60
		Q4 FY16	Rs 6.34

* Cost to income ratio at 19.35% in Q4 FY17 as compared to 25.34% in Q4 FY16

* Employee strength at 18,885 (including 10,678 field executives) in Q4 FY17 against 15,993 in Q3 FY17

Performance Highlights – FY17 vs FY16

Total Income	5.2% ↑	FY17	Rs 108,306.1 mn
		FY16	Rs 102,934.8 mn
Net Interest Income*	7.8% ↑	FY17	Rs 55,211.8 mn
		FY16	Rs 51,209.5 mn
PAT	6.7% ↑	FY17	Rs 12,573.4 mn
		FY16	Rs 11,782.0 mn
EPS	6.7% ↑	FY17	Rs 55.42
		FY16	Rs 51.93

* including Securitisation Income

* Cost to income ratio at 21.15% in FY17 as compared to 23.79% in FY16

Performance Highlights – Q4 FY17 vs Q4 FY16

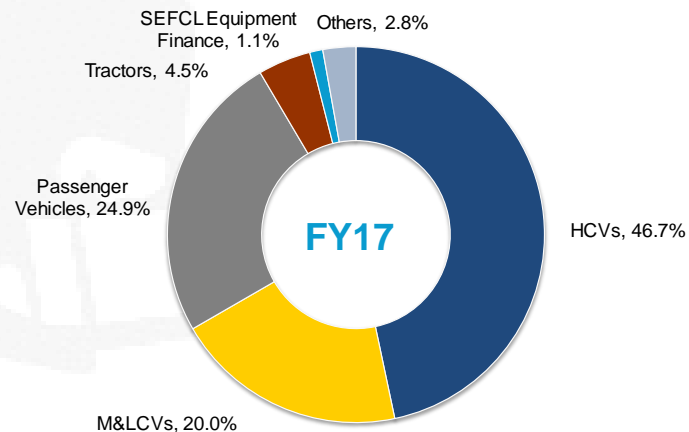
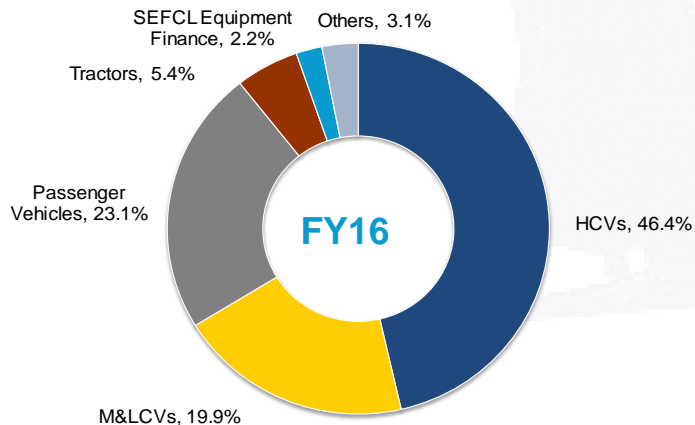
AUM	8.3% ↑	Q4 FY17 Q4 FY16	Rs 787,609.3 mn Rs 727,606.0 mn
GNPA	39.7% ↑	Q4 FY17 Q4 FY16	Rs 54,084.4 mn Rs 38,702.4 mn
NNPA	45.1% ↑	Q4 FY17 Q4 FY16	Rs 16,590.0 mn Rs 11,437.0 mn
Book Value	11.4% ↑	Q4 FY17 Q4 FY16	Rs 497.7 Rs 446.6

- * In accordance with regulations, shifted NPA recognition norms to 120 days in Q4FY17 from 150 days earlier.
- * Coverage ratio at 69.33% in FY17 as compared to 70.45% in FY16
- * CRAR at 16.94% as of FY17 compared to 17.56% as of FY16.

AUM Break-up

Particulars (Rs. mn)	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
- On Books	618,783.7	639,619.6	636,887.6	642,706.6	654,628.7	5.79%	1.85%	618,783.7	654,628.7	5.79%
- Off Books	108,822.3	108,465.0	116,338.2	120,107.0	132,980.6	22.20%	10.72%	108,822.3	132,980.6	22.20%
Total AUM	727,606.0	748,084.6	753,225.8	762,813.6	787,609.3	8.25%	3.25%	727,606.0	787,609.3	8.25%
- New	75,715.1	80,381.2	76,013.6	75,401.0	79,188.7	4.59%	5.02%	75,715.1	79,188.7	4.59%
- Used	651,348.4	667,342.0	676,853.5	687,173.6	708,110.1	8.71%	3.05%	651,348.4	708,110.1	8.71%
- Others	542.5	361.4	358.7	239.0	310.5	-42.76%	29.92%	542.5	310.5	-42.76%
Total AUM	727,606.0	748,084.6	753,225.8	762,813.6	787,609.3	8.25%	3.25%	727,606.0	787,609.3	8.25%

Segment-wise Break up



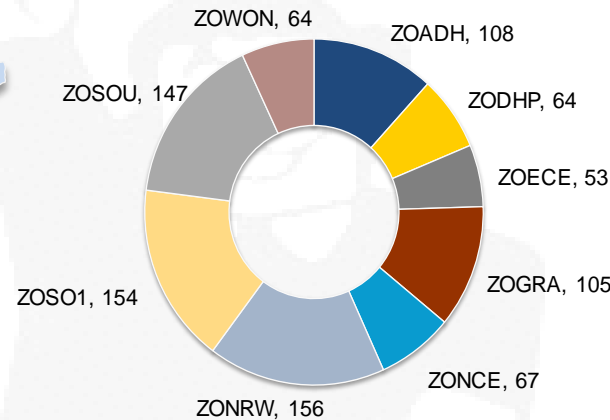
NPA Analysis

Particulars (Rs. mn)	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
Gross NPA	38,702.4	41,259.0	42,420.3	43,062.4	54,084.4	39.74%	25.60%	38,702.4	54,084.4	39.74%
Net NPA	11,437.0	12,202.3	12,518.3	10,577.2	16,590.0	45.06%	56.85%	11,437.0	16,590.0	45.06%
Gross NPA (%)	6.18%	6.38%	6.58%	6.62%	8.16%	32.04%	23.26%	6.18%	8.16%	32.04%
Net NPA (%)	1.91%	1.97%	2.04%	1.71%	2.65%	38.74%	54.97%	1.91%	2.65%	38.74%
Coverage Ratio (%)	70.45%	70.43%	70.49%	75.44%	69.33%	-1.60%	-8.10%	70.45%	69.33%	-1.60%

- * NPA recognition on 150 dpd basis maintained from Q4FY16 upto Q3FY17 & transitioned to 120 dpd basis in Q4 FY17
- * Provision Coverage Ratio (PCR) on 120 dpd at 69.33% in Q4FY17 as against 70.45% on 150 dpd in Q4FY16

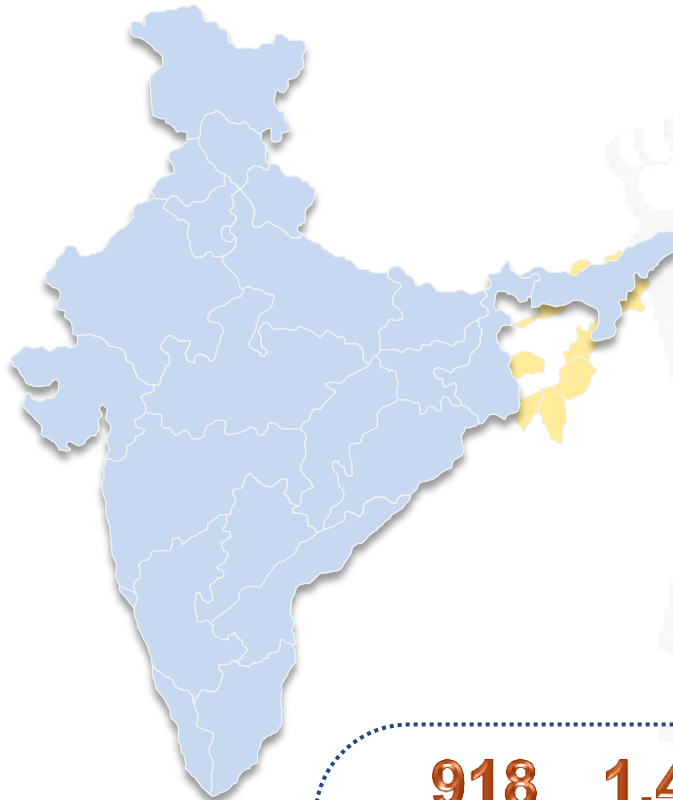
Well-entrenched Pan India Network

Regional Split of Branches



ABBREVIATIONS

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

918

Branch Offices

1.45mn

Customers

18,885

Employees

10,678

Field Officers

500

Private Financiers

854

Rural Centres

P&L Statement

Particulars (Rs. mn)	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
Interest income	27,206.6	24,763.6	24,626.3	24,437.9	24,185.2	-11.11%	-1.03%	95,300.1	98,013.0	2.85%
Interest expended	14,473.9	13,165.2	13,358.4	12,824.9	12,745.5	-11.94%	-0.62%	50,743.8	52,094.0	2.66%
Net interest income	12,732.7	11,598.4	11,267.9	11,613.0	11,439.7	-10.15%	-1.49%	44,556.3	45,919.0	3.06%
Income from securitisation	1,896.3	1,941.0	2,340.1	2,553.4	2,697.5	42.25%	5.64%	6,869.4	9,532.0	38.76%
Less : Securitisation expenses	69.4	65.5	78.1	45.3	50.3	-27.52%	11.04%	216.2	239.2	10.64%
Income from securitisation (net)	1,826.9	1,875.5	2,262.0	2,508.1	2,647.2	44.90%	5.55%	6,653.2	9,292.8	39.67%
Net interest income (incl. sec)	14,559.6	13,473.9	13,529.9	14,121.1	14,086.9	-3.25%	-0.24%	51,209.5	55,211.8	7.82%
Other fee based income	31.0	12.3	15.5	18.2	19.2	-38.06%	5.49%	95.3	65.2	-31.58%
Operating income	14,590.6	13,486.2	13,545.4	14,139.3	14,106.1	-3.32%	-0.23%	51,304.8	55,277.0	7.74%
Operating expenditure	3,895.7	3,340.9	3,138.0	2,905.4	2,903.4	-25.47%	-0.07%	13,088.9	12,287.7	-6.12%
Core operating profit *	10,694.9	10,145.3	10,407.4	11,233.9	11,202.7	4.75%	-0.28%	38,215.9	42,989.3	12.49%
Other income	166.2	154.6	153.1	164.4	221.0	32.97%	34.43%	666.3	693.1	4.02%
Operating profit	10,861.1	10,299.9	10,560.5	11,398.3	11,423.7	5.18%	0.22%	38,882.2	43,682.4	12.35%
Provisions for bad debts	8,403.9	4,549.5	4,631.9	6,089.5	8,804.9	4.77%	44.59%	20,568.9	24,075.8	17.05%
Provisions against standard assets	285.0	53.9	-11.1	15.5	309.1	8.46%	1894.19%	499.0	367.4	-26.37%
PBT	2,172.2	5,696.5	5,939.7	5,293.3	2,309.7	6.33%	-56.37%	17,814.3	19,239.2	8.00%
Tax	733.0	1,955.5	2,063.2	1,833.7	813.4	10.97%	-55.64%	6,032.3	6,665.8	10.50%
PAT	1,439.2	3,741.0	3,876.5	3,459.6	1,496.3	3.97%	-56.75%	11,782.0	12,573.4	6.72%
EPS (Rs)	6.34	16.49	17.08	15.25	6.60	4.02%	-56.75%	51.93	55.42	6.72%
Tier I CRAR %	14.71%	14.83%	15.28%	15.44%	15.20%	3.33%	-1.55%	14.71%	15.20%	3.33%
Tier II CRAR %	2.85%	2.54%	2.16%	2.11%	1.74%	-39.00%	-17.54%	2.85%	1.74%	-38.95%
Total CRAR %	17.56%	17.37%	17.44%	17.55%	16.94%	-3.54%	-3.48%	17.56%	16.94%	-3.53%
Book Value (Rs)	446.56	463.21	480.44	490.99	497.71	11.45%	1.37%	446.56	497.71	11.45%

*Before Provisions & Contingencies

Balance Sheet

Particulars (Rs. mn)	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	YoY (%)
Liabilities						
<u>Shareholder funds</u>						
(a) Share capital	2,269.1	2,269.1	2,269.1	2,269.1	2,269.1	0.00%
(b) Reserves and surplus	99,272.1	103,013.0	106,889.6	109,256.9	110,753.2	11.57%
<u>Non-current liabilities</u>						
(a) Long-term borrowings	302,696.7	301,511.6	319,743.1	314,445.0	337,001.8	11.33%
(b) Other long term liabilities	11,635.1	11,524.5	11,863.1	12,389.1	13,108.6	12.66%
(c) Long term provisions	28,427.2	30,273.3	31,129.9	33,706.6	38,939.4	36.98%
<u>Current liabilities</u>						
(a) Short-term borrowings	33,303.5	52,505.9	37,164.9	52,985.6	49,831.4	49.63%
(b) Trade payables	15,113.7	16,167.4	15,613.6	15,662.9	17,321.3	14.61%
(c) Other current liabilities	181,819.7	179,762.3	185,476.8	169,776.5	170,906.7	-6.00%
(d) Short-term provisions	5,096.0	6,117.3	4,796.2	5,456.5	3,971.6	-22.06%
Total	679,633.1	703,144.4	714,946.3	715,948.2	744,103.1	9.49%
Assets						
<u>Non-current assets</u>						
(a) Fixed assets						
(i) Property, plant and equipment	996.1	971.6	921.3	867.1	821.7	-17.51%
(ii) Intangible assets	14.5	15.6	14.3	12.8	16.1	11.03%
(b) Non-current investments	12,521.7	13,182.0	14,114.9	14,490.9	14,971.4	19.56%
(c) Deferred tax assets (net)	3,077.0	3,133.5	3,227.0	3,392.8	3,622.8	17.74%
(d) Long term loans and advances	430,101.9	451,021.9	456,643.7	455,570.9	473,088.8	9.99%
(e) Other non-current assets	138.8	183.5	547.4	103.9	751.5	441.43%
<u>Current assets</u>						
(a) Current investments	1,040.0	40.0	2,500.0	0.0	522.1	-49.80%
(b) Cash and bank balances	23,638.6	26,608.9	35,028.9	31,345.7	44,406.9	87.86%
(c) Short-term loans and advances	207,598.7	207,359.3	201,372.2	209,474.7	205,313.1	-1.10%
(d) Other current assets	505.8	628.1	576.6	689.4	588.7	16.39%
Total	679,633.1	703,144.4	714,946.3	715,948.2	744,103.1	9.49%

Key Metrics – Q4 FY17

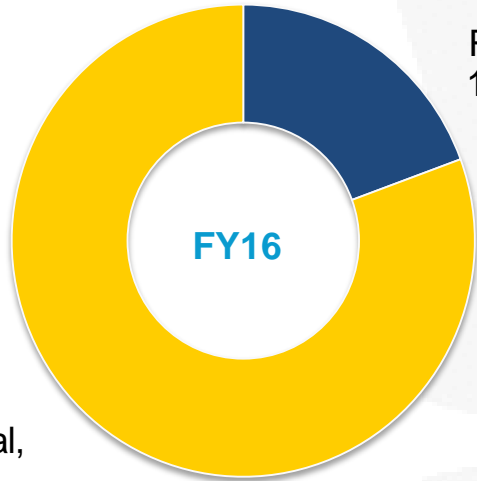
P&L Metrics (Rs. mn)	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
Interest Income	27,206.6	24,763.6	24,626.3	24,437.9	24,185.2	-11.11%	-1.03%	95,300.1	98,013.0	2.85%
Securitisation Income	1,826.9	1,875.5	2,262.0	2,508.1	2,647.2	44.90%	5.55%	6,653.2	9,292.8	39.67%
Total Interest Income	29,033.5	26,639.1	26,888.3	26,946.0	26,832.4	-7.58%	-0.42%	101,953.3	107,305.8	5.25%
Less: Interest Expenses	14,473.9	13,165.2	13,358.4	12,824.9	12,745.5	-11.94%	-0.62%	50,743.8	52,094.0	2.66%
Net Interest Income	14,559.6	13,473.9	13,529.9	14,121.1	14,086.9	-3.25%	-0.24%	51,209.5	55,211.8	7.82%
Other Income	197.2	166.9	168.6	182.6	240.2	21.81%	31.54%	761.6	758.3	-0.43%
Profit After Tax	1,439.2	3,741.0	3,876.5	3,459.6	1,496.3	3.97%	-56.75%	11,782.0	12,573.4	6.72%
EPS (Rs.)	6.34	16.49	17.08	15.25	6.60	4.02%	-56.75%	51.93	55.42	6.72%
Cost to income Ratio (%)	25.34%	23.56%	22.31%	19.54%	19.35%	-23.64%	-0.97%	23.79%	21.15%	-11.09%
NIM (on AUM)	7.71%	7.35%	7.14%	7.17%	6.97%	-9.55%	-2.73%	7.27%	7.16%	-1.52%

Key Metrics – Q4 FY17

Balance Sheet Metrics (Rs. mn)	Q4 FY16	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	YoY (%)	QoQ (%)	FY16	FY17	YoY (%)
Networth	101,317.8	105,094.1	109,003.4	111,398.0	112,921.6	11.45%	1.37%	101,317.8	112,921.6	11.45%
Book Value (Rs.)	446.56	463.21	480.44	490.99	497.71	11.45%	1.37%	446.56	497.71	11.45%
Securitisation done	46,199	21,619	28,963	26,008	35,552	-23.05%	36.70%	89,918	112,142	24.72%
Interest Coverage (x)	2.02	2.04	2.03	2.12	2.13	5.45%	0.47%	2.03	2.08	2.46%
ROA (%)	0.86%	2.15%	2.17%	1.92%	0.81%	-5.81%	-57.81%	1.86%	1.76%	-5.38%
ROE (%)	5.67%	14.47%	14.46%	12.54%	5.33%	-6.00%	-57.50%	11.99%	11.61%	-3.17%
CRAR (%)	17.56%	17.37%	17.44%	17.55%	16.94%	-3.53%	-3.48%	17.56%	16.94%	-3.53%

Borrowing Profile as on Mar 31, 2017 vs Mar 31, 2016

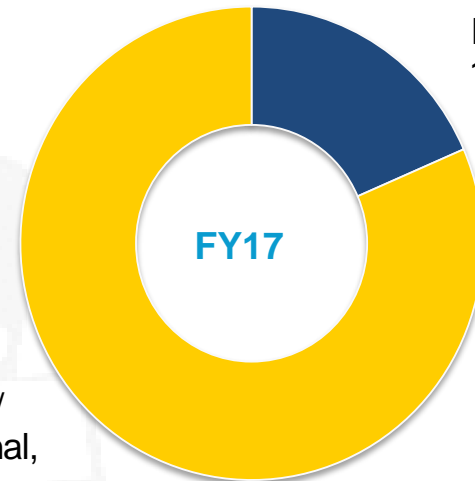
Rs 497.9 bn



Retail,
19.4%

Banks /
Institutional,
80.6%

Rs 531.1 bn

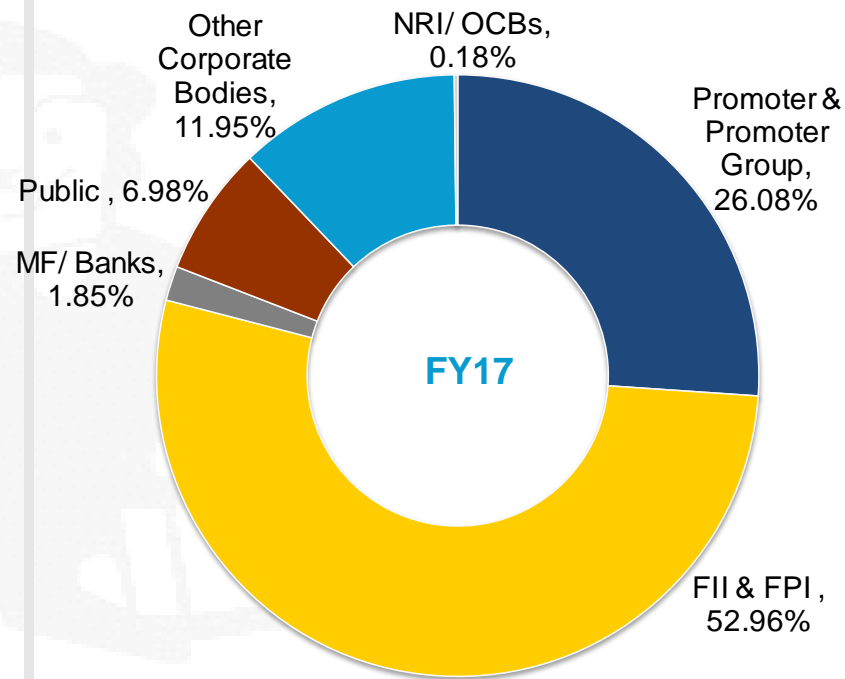
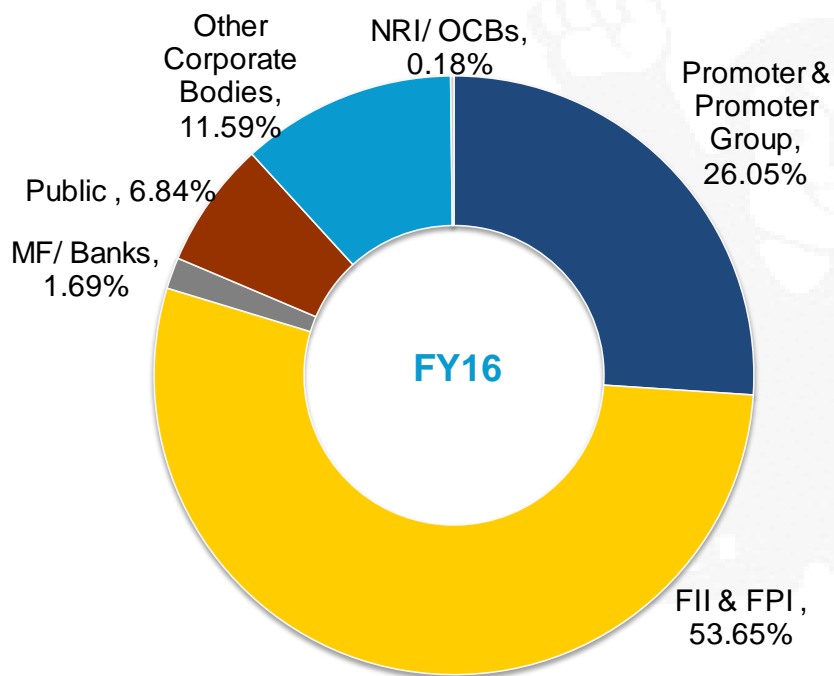


Retail,
18.5%

Banks /
Institutional,
81.5%

Shareholding Pattern as on Mar 31, 2017 vs Mar 31, 2016

No. of shares outstanding: 226.88mn

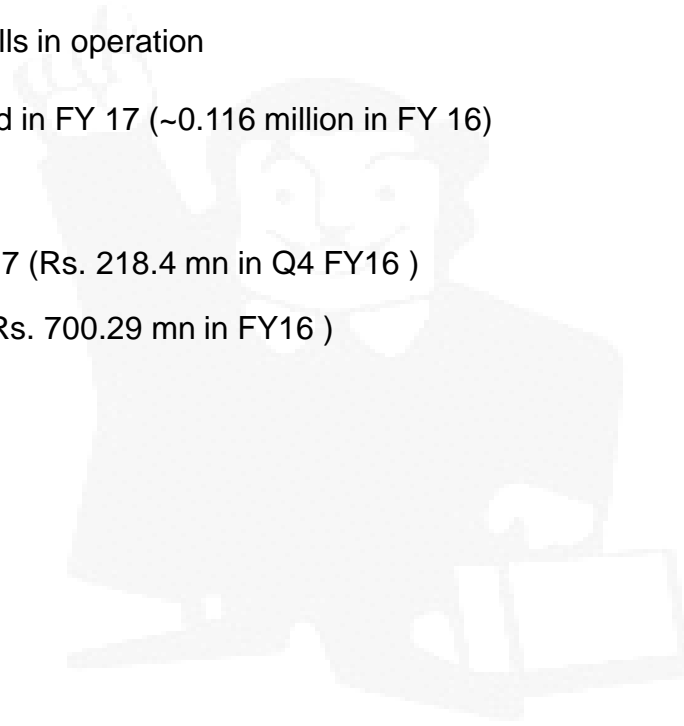


Has Attracted Strong Interest from Quality Investors

- * 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 Limited	4.32	1.90
New World Fund Inc	4.26	1.88
Vanguard Emerging Markets Stock Index Fund	2.89	1.27
Oppenheimer International Small Company Fund	2.85	1.26
Stichting Depository Apg Emerging Markets Equity Pool	2.62	1.15
Government Of Singapore	2.47	1.09
Platinum Asia Fund	2.41	1.06
Smallcap World Fund, Inc	2.04	0.90
Public & Others	114.49	50.47
Total	226.88	100.00

- * Shriram Automall India Limited.
 - AUTOMALL - 67 Automalls in operation
 - ~0.135 million assets sold in FY 17 (~0.116 million in FY 16)
- * Fees Income earned
 - Rs. 200.57 mn in Q4 FY17 (Rs. 218.4 mn in Q4 FY16)
 - Rs. 756.20 mn in FY17 (Rs. 700.29 mn in FY16)



P&L Statement - Subsidiary - Shriram Automall India Limited

Particulars (Rs. mn)	FY16	FY17	YoY (%)
Income			
Revenue from operations	745.3	803.1	7.75%
Other income	11.8	25.3	114.14%
Total	757.1	828.4	9.41%
Expenditure			
Employees Benefit expense	346.6	349.8	0.91%
Finance cost	0.5	0.4	-21.37%
Depreciation and amortisation	13.2	9.7	-26.84%
Other expenses	318.3	327.3	2.84%
Total	678.6	687.2	1.26%
Profit/(Loss) before taxation	78.5	141.2	79.99%
Provision for taxation			
Current tax	23.0	58.7	155.56%
Deferred tax liability / (Asset)	1.3	-0.4	-128.92%
Total tax expense / (income)	24.3	58.3	140.33%
Profit/(Loss) after tax from continuing operations	54.2	82.9	52.98%
Earnings/(Loss) per share			
Basic & Diluted (Rs.)	1.81	2.76	52.70%
Nominal Value of Share (Rs.)	10.00	10.00	0.00%

Balance Sheet - Subsidiary - Shriram Automall India Limited

Particulars (Rs. mn)	31-Mar-16	31-Mar-17
Liabilities		
<u>Shareholder funds</u>		
(a) Share capital	300.0	300.0
(b) Reserves and surplus	213.7	297.0
<u>Current liabilities</u>		
(a) Short-term borrowings	0.9	0.0
(b) Trade payables	270.5	373.5
(c) Other current liabilities	17.2	8.3
(d) Short-term provisions	25.9	37.7
Total	828.2	1,016.5
Assets		
<u>Non-current assets</u>		
(a) Fixed assets		
(i) Tangible assets	509.2	502.9
(ii) Intangible assets	1.3	1.6
(b) Non Current Investments	10.4	24.8
(c) Deferred tax assets (net)	11.7	12.1
(d) Long term loans and advances	30.8	31.6
(e) Other assets	0.2	0.7
<u>Current assets</u>		
(a) Trade receivables	101.0	86.8
(b) Current investments	131.1	1.0
(c) Cash and bank balances	16.9	46.3
(d) Short-term loans and advances	15.0	301.0
(e) Other current assets	0.6	7.7
Total	828.2	1,016.5

**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. 65,462.57 crores and off Balance sheet assets of Rs. 13,298.06 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 918 branches, and employs 18,885 employees including 10,678 field officers. The company has built a strong customer base of approx. 1.45 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