



# Shriram Transport Finance Company Ltd

Investor Update – Q2 & H1 FY2018

November 01, 2017

# Performance Highlights – Q2 FY18 vs Q2 FY17

<b>Total Income</b>	<b>9.8%</b> ↑	Q2 FY18	<b>Rs 29,799.2 mn</b>
		Q2 FY17	Rs 27,135.9 mn
<b>Net Interest Income*</b>	<b>20.6%</b> ↑	Q2 FY18	<b>Rs 16,323.7 mn</b>
		Q2 FY17	Rs 13,529.9 mn
* including Securitisation Income			
<b>PAT</b>	<b>23.6%</b> ↑	Q2 FY18	<b>Rs 4,791.1 mn</b>
		Q2 FY17	Rs 3,876.5 mn
<b>EPS</b>	<b>23.6%</b> ↑	Q2 FY18	<b>Rs 21.11</b>
		Q2 FY17	Rs 17.08

\* Cost to income ratio at 20.33% in Q2 FY18 as compared to 22.31% in Q2 FY17

\* Employee strength at 22,205 (including 13,790 field executives) in Q2 FY18 against 17,162 in Q2 FY17

# Performance Highlights – H1 FY18 vs H1 FY17

<b>Total Income</b>	<b>8.9%</b> ↑	H1 FY18	<b>Rs 58,789.2mn</b>
		H1 FY17	Rs 54,008.7mn
<b>Net Interest Income*</b>	<b>19.2%</b> ↑	H1 FY18	<b>Rs 32,175.7 mn</b>
		H1 FY17	Rs 27,003.8 mn
<b>PAT</b>	<b>21.8%</b> ↑	H1 FY18	<b>Rs 9,277.9 mn</b>
		H1 FY17	Rs 7,617.5 mn
<b>EPS</b>	<b>21.8%</b> ↑	H1 FY18	<b>Rs 40.89</b>
		H1 FY17	Rs 33.57

\* including Securitisation Income

\* Cost to income ratio at 20.25% in H1 FY18 as compared to 22.94% in H1 FY17

# Performance Highlights – Q2 FY18 vs Q2 FY17

<b>AUM</b>	<b>13.5%</b> ↑	Q2 FY18	<b>Rs 854,625.7 mn</b>
		Q2 FY17	Rs 753,225.8 mn
<b>GNPA</b>	<b>36.1%</b> ↑	Q2 FY18	<b>Rs 57,730.4 mn</b>
		Q2 FY17	Rs 42,420.3 mn
<b>NNPA</b>	<b>32.2%</b> ↑	Q2 FY18	<b>Rs 16,552.2 mn</b>
		Q2 FY17	Rs 12,518.3 mn
<b>Book Value</b>	<b>10.6%</b> ↑	Q2 FY18	<b>Rs 531.58</b>
		Q2 FY17	Rs 480.44

\* In accordance with regulations, shifted NPA recognition norms to 120 days in Q4 FY17 from 150 days earlier.

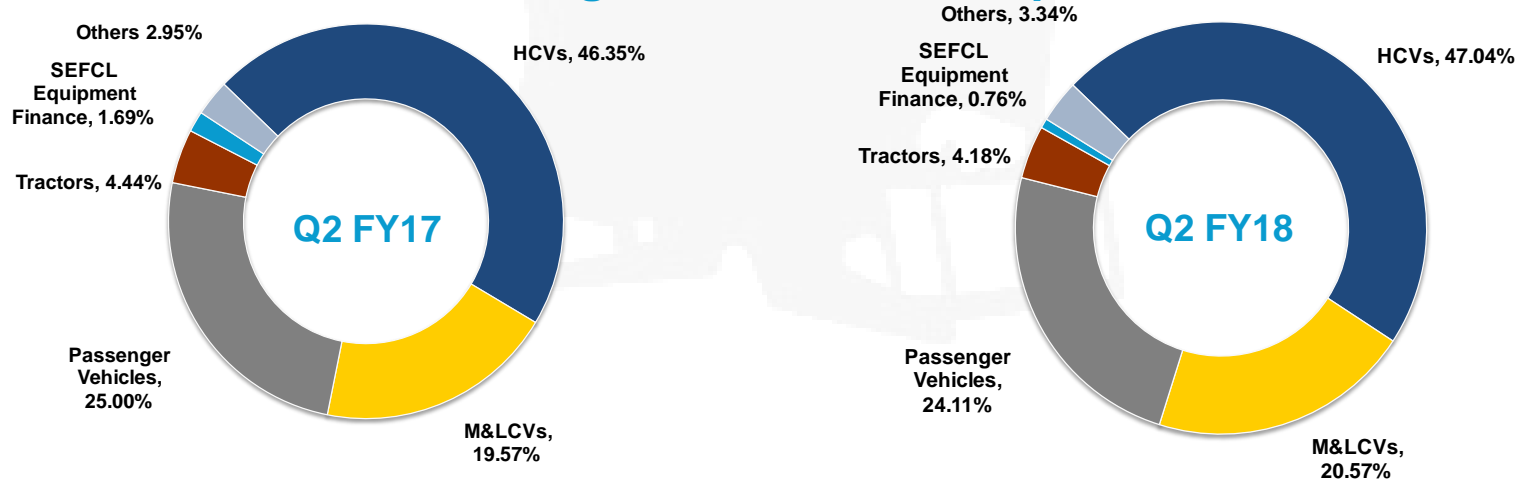
\* Coverage ratio at 71.33% in Q2FY18 as compared to 70.49% in Q2FY17

\* CRAR at 16.19% as of Q2 FY18 compared to 17.44% as of Q2 FY17.

# AUM Break-up

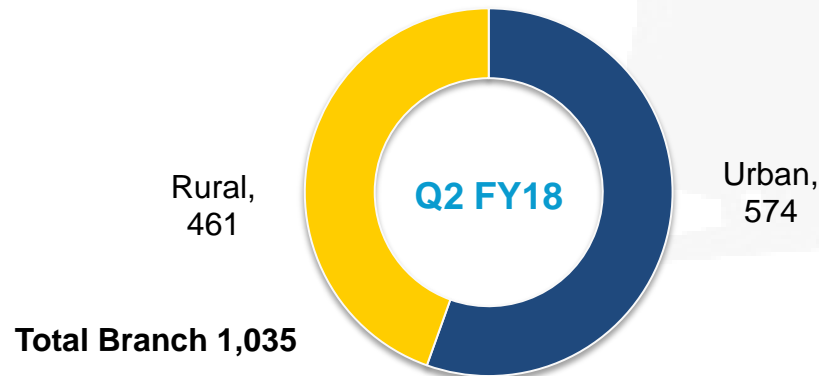
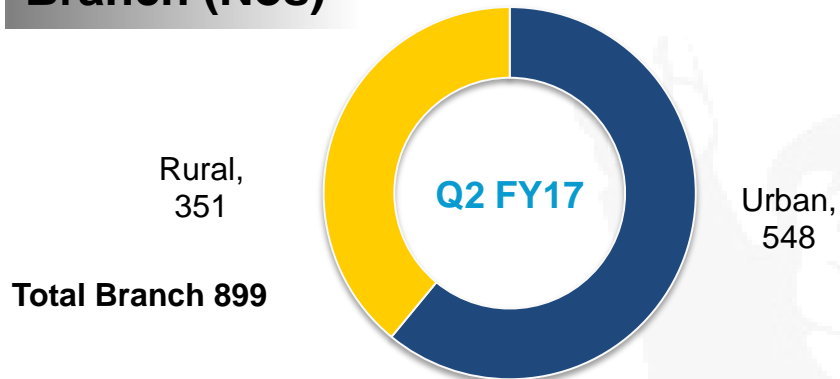
Particulars (Rs. mn)	Q2 FY17	Q1 FY18	Q2 FY18	YoY (%)	QoQ (%)	H1 FY17	H1 FY18	YoY (%)	FY17
- On Books	636,887.6	683,005.6	707,437.9	11.08%	3.58%	636,887.6	707,437.9	11.08%	654,628.7
- Off Books	116,338.2	133,113.9	147,187.8	26.52%	10.57%	116,338.2	147,187.8	26.52%	132,980.6
<b>Total AUM</b>	<b>753,225.8</b>	<b>816,119.5</b>	<b>854,625.7</b>	<b>13.46%</b>	<b>4.72%</b>	<b>753,225.8</b>	<b>854,625.7</b>	<b>13.46%</b>	<b>787,609.3</b>
- New	76,013.6	81,192.4	85,975.4	13.11%	5.89%	76,013.6	85,975.4	13.11%	79,188.7
- Used	654,979.9	710,588.4	740,139.0	13.00%	4.16%	654,979.9	740,139.0	13.00%	686,328.9
- Others	22,232.3	24,338.7	28,511.3	28.24%	17.14%	22,232.3	28,511.3	28.24%	22,091.7
<b>Total AUM</b>	<b>753,225.8</b>	<b>816,119.5</b>	<b>854,625.7</b>	<b>13.46%</b>	<b>4.72%</b>	<b>753,225.8</b>	<b>854,625.7</b>	<b>13.46%</b>	<b>787,609.3</b>

## Segment-wise Break up

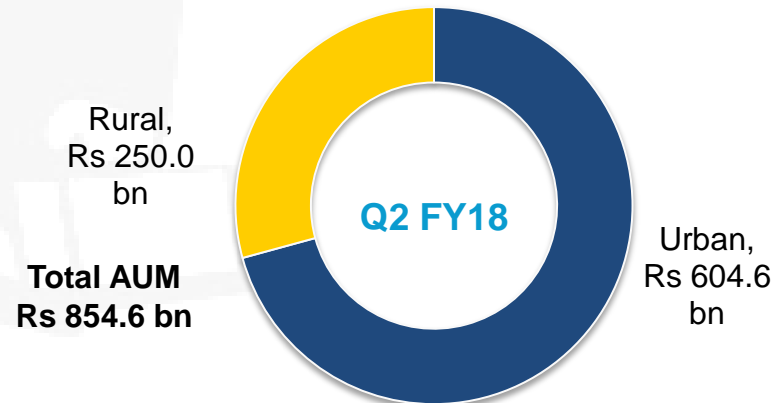
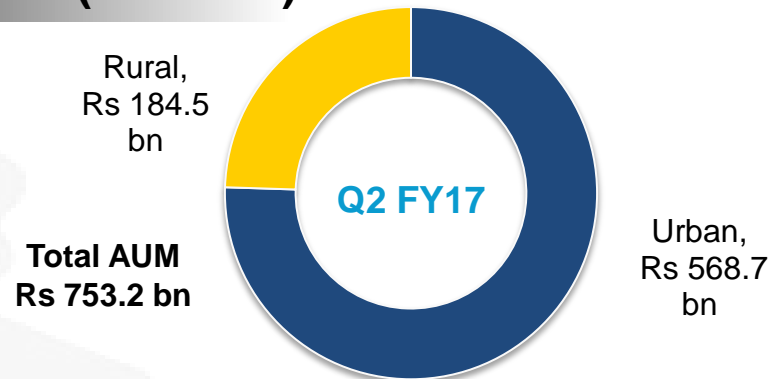


# Branch & AUM distribution - Q2 FY18 vs Q2 FY17

## Branch (Nos)



## AUM (Rs in bn)



# NPA Analysis

Particulars (Rs. mn)	Q2 FY17	Q1 FY18	Q2 FY18	YoY (%)	QoQ (%)	H1 FY17	H1 FY18	YoY (%)	FY17
Gross NPA	42,420.3	55,490.1	57,730.4	36.09%	4.04%	42,420.3	57,730.4	36.09%	54,084.4
Net NPA	12,518.3	16,197.3	16,552.2	32.22%	2.19%	12,518.3	16,552.2	32.22%	16,590.0
Gross NPA (%)	6.58%	8.03%	8.06%	22.49%	0.37%	6.58%	8.06%	22.49%	8.16%
Net NPA (%)	2.04%	2.49%	2.45%	20.10%	-1.61%	2.04%	2.45%	20.10%	2.65%
Coverage Ratio (%)	70.49%	70.81%	71.33%	1.19%	0.73%	70.49%	71.33%	1.19%	69.33%

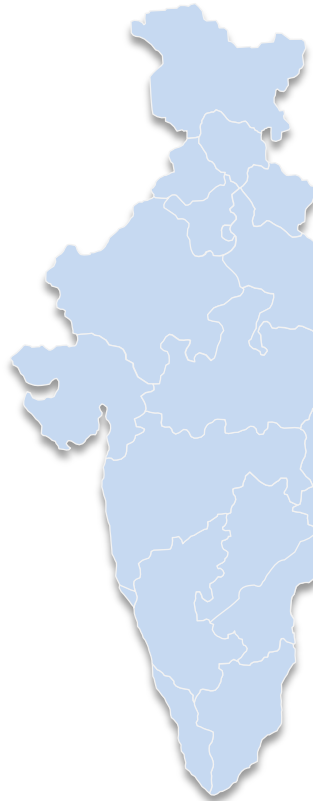
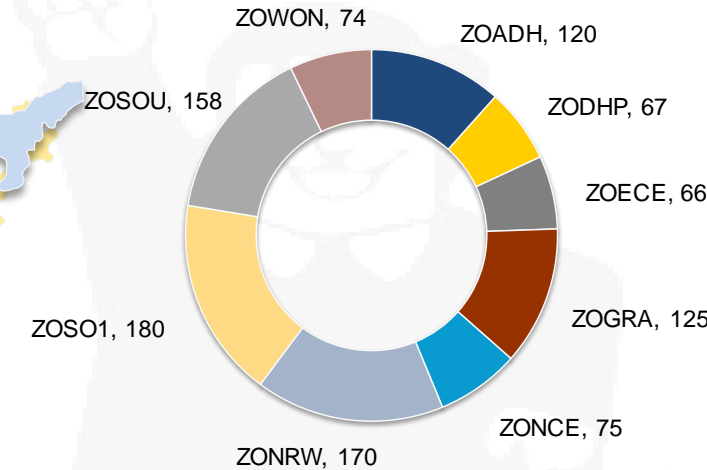
- \* The company transitioned to 120 dpd NPA recognition from Q4 FY17
  - YoY figures are not comparable since NPA recognition in Q2 FY17 was on 150 dpd basis
- \* Provision Coverage Ratio (PCR) on 120 dpd at 71.33% in Q2 FY18 as against 70.49% on 150 dpd in Q2 FY17.

# 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
ZOGR A	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

**1,035** Branch Offices    
 **1.62 mn** Customers    
 **22,205** Employees    
 **13,790** Field Officers    
 **500** Private Financiers    
 **907** Rural Centres



# P&L Statement

Particulars (Rs. mn)	Q2 FY17	Q1 FY18	Q2 FY18	YoY (%)	QoQ (%)	H1 FY17	H1 FY18	YoY (%)	FY17
Interest income	24,626.3	26,198.1	26,761.2	8.67%	2.15%	49,389.9	52,959.3	7.23%	98,013.0
Interest expended	13,358.4	12,834.5	13,082.4	-2.07%	1.93%	26,523.6	25,916.9	-2.29%	52,094.0
Net interest income	11,267.9	13,363.6	13,678.8	21.40%	2.36%	22,866.3	27,042.4	18.26%	45,919.0
Income from securitisation	2,340.1	2,571.2	2,714.0	15.98%	5.55%	4,281.1	5,285.2	23.45%	9,532.0
Less : Securitisation expenses	78.1	82.8	69.1	-11.52%	-16.55%	143.6	151.9	5.78%	239.2
Income from securitisation (net)	2,262.0	2,488.4	2,644.9	16.93%	6.29%	4,137.5	5,133.3	24.07%	9,292.8
<b>Net interest income (incl. sec)</b>	<b>13,529.9</b>	<b>15,852.0</b>	<b>16,323.7</b>	<b>20.65%</b>	<b>2.98%</b>	<b>27,003.8</b>	<b>32,175.7</b>	<b>19.15%</b>	<b>55,211.8</b>
Other fee based income	15.5	28.5	28.7	85.16%	0.70%	27.8	57.2	105.76%	65.2
<b>Operating income</b>	<b>13,545.4</b>	<b>15,880.5</b>	<b>16,352.4</b>	<b>20.72%</b>	<b>2.97%</b>	<b>27,031.6</b>	<b>32,232.9</b>	<b>19.24%</b>	<b>55,277.0</b>
Operating expenditure	3,138.0	3,379.0	3,485.0	11.06%	3.14%	6,478.9	6,864.0	5.94%	12,287.7
<b>Core operating profit *</b>	<b>10,407.4</b>	<b>12,501.5</b>	<b>12,867.4</b>	<b>23.64%</b>	<b>2.93%</b>	<b>20,552.7</b>	<b>25,368.9</b>	<b>23.43%</b>	<b>42,989.3</b>
Other income	153.1	189.9	295.0	92.68%	55.34%	307.7	484.9	57.59%	693.1
<b>Operating profit</b>	<b>10,560.5</b>	<b>12,691.4</b>	<b>13,162.4</b>	<b>24.64%</b>	<b>3.71%</b>	<b>20,860.4</b>	<b>25,853.8</b>	<b>23.94%</b>	<b>43,682.4</b>
Provisions for bad debts	4,631.9	5,729.2	5,792.0	25.05%	1.10%	9,181.4	11,521.2	25.48%	24,075.8
Provisions against standard assets	-11.1	93.5	87.1	-884.68%	-6.84%	42.8	180.6	321.96%	367.4
<b>PBT</b>	<b>5,939.7</b>	<b>6,868.7</b>	<b>7,283.3</b>	<b>22.62%</b>	<b>6.04%</b>	<b>11,636.2</b>	<b>14,152.0</b>	<b>21.62%</b>	<b>19,239.2</b>
Tax	2,063.2	2,381.9	2,492.2	20.79%	4.63%	4,018.7	4,874.1	21.29%	6,665.8
<b>PAT</b>	<b>3,876.5</b>	<b>4,486.8</b>	<b>4,791.1</b>	<b>23.59%</b>	<b>6.78%</b>	<b>7,617.5</b>	<b>9,277.9</b>	<b>21.80%</b>	<b>12,573.4</b>
<b>EPS (Rs)</b>	<b>17.08</b>	<b>19.78</b>	<b>21.11</b>	<b>23.59%</b>	<b>6.72%</b>	<b>33.57</b>	<b>40.89</b>	<b>21.81%</b>	<b>55.42</b>
<b>Tier I CRAR %</b>	<b>15.28%</b>	<b>14.89%</b>	<b>15.00%</b>	<b>-1.83%</b>	<b>0.74%</b>	<b>15.28%</b>	<b>15.00%</b>	<b>-1.83%</b>	<b>15.20%</b>
<b>Tier II CRAR %</b>	<b>2.16%</b>	<b>1.37%</b>	<b>1.19%</b>	<b>-44.91%</b>	<b>-13.14%</b>	<b>2.16%</b>	<b>1.19%</b>	<b>-44.91%</b>	<b>1.74%</b>
<b>Total CRAR %</b>	<b>17.44%</b>	<b>16.26%</b>	<b>16.19%</b>	<b>-7.17%</b>	<b>-0.43%</b>	<b>17.44%</b>	<b>16.19%</b>	<b>-7.17%</b>	<b>16.94%</b>
<b>Book Value (Rs)</b>	<b>480.44</b>	<b>510.38</b>	<b>531.58</b>	<b>10.64%</b>	<b>4.15%</b>	<b>480.44</b>	<b>531.58</b>	<b>10.64%</b>	<b>497.71</b>

\*Before Provisions & Contingencies

# Balance Sheet

Particulars (Rs. mn)	Sep-16	Jun-17	Sep-17	YoY (%)	QoQ (%)	Mar-17
<b>Liabilities</b>						
<u>Shareholder funds</u>						
(a) Share capital	2,269.1	2,269.1	2,269.1	0.00%	0.00%	2,269.1
(b) Reserves and surplus	106,889.6	113,601.6	118,392.7	10.76%	4.22%	110,753.2
<u>Non-current liabilities</u>						
(a) Long-term borrowings	319,743.1	336,810.3	349,751.9	9.39%	3.84%	337,001.8
(b) Other long term liabilities	11,873.1	12,839.9	14,377.0	21.09%	11.97%	13,120.3
(c) Long term provisions	31,129.9	40,791.8	42,734.8	37.28%	4.76%	38,939.4
<u>Current liabilities</u>						
(a) Short-term borrowings	37,164.9	68,621.7	52,922.9	42.40%	-22.88%	49,831.4
(b) Trade payables	15,603.6	15,738.5	16,804.6	7.70%	6.77%	17,309.5
(c) Other current liabilities	184,872.0	181,463.1	181,881.1	-1.62%	0.23%	170,896.3
(d) Short-term provisions	4,800.9	6,658.6	5,137.3	7.01%	-22.85%	3,982.1
<b>Total</b>	<b>714,346.2</b>	<b>778,794.6</b>	<b>784,271.4</b>	<b>9.79%</b>	<b>0.70%</b>	<b>744,103.1</b>
<b>Assets</b>						
<u>Non-current assets</u>						
(a) Fixed assets						
(i) Tangible assets	909.3	844.1	911.0	0.19%	7.93%	809.8
(ii) Intangible assets	14.3	18.5	16.9	18.18%	-8.65%	16.1
(b) Non-current investments	14,127.0	14,967.2	14,968.5	5.96%	0.01%	14,983.3
(c) Deferred tax assets (net)	3,227.0	3,884.0	3,992.8	23.73%	2.80%	3,622.8
(d) Long term loans and advances	456,643.7	490,129.5	510,499.8	11.79%	4.16%	473,088.8
(e) Other non-current assets	547.4	137.2	42.3	-92.27%	-69.17%	751.5
<u>Current assets</u>						
(a) Current investments	2,500.0	3,100.0	0.0	-100.00%	-100.00%	522.1
(b) Cash and bank balances	35,028.9	48,342.1	28,737.7	-17.96%	-40.55%	44,406.9
(c) Short-term loans and advances	200,772.1	216,680.3	224,470.0	11.80%	3.60%	205,313.1
(d) Other current assets	576.5	691.7	632.4	9.70%	-8.57%	588.7
<b>Total</b>	<b>714,346.2</b>	<b>778,794.6</b>	<b>784,271.4</b>	<b>9.79%</b>	<b>0.70%</b>	<b>744,103.1</b>

# Key Metrics – Q2 FY18

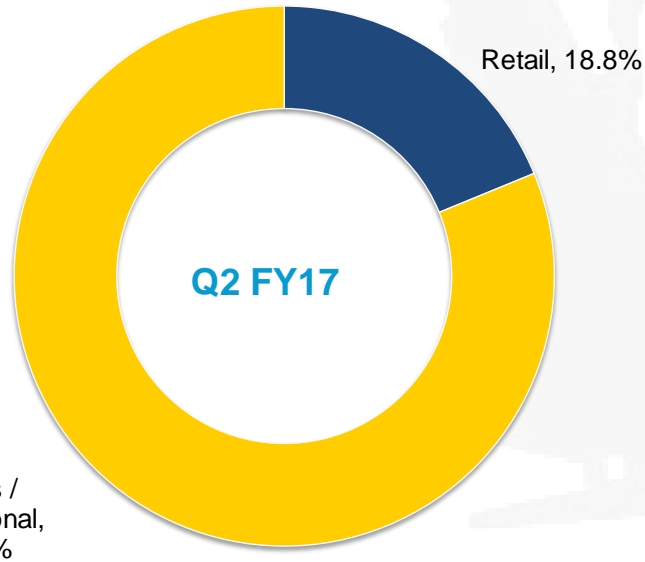
P&L Metrics (Rs. mn)	Q2 FY17	Q1 FY18	Q2 FY18	YoY (%)	QoQ (%)	H1 FY17	H1 FY18	YoY (%)	FY17
Interest Income	24,626.3	26,198.1	26,761.2	8.67%	2.15%	49,389.9	52,959.3	7.23%	98,013.0
Securitisation Income	2,262.0	2,488.4	2,644.9	16.93%	6.29%	4,137.5	5,133.3	24.07%	9,292.8
<b>Total Interest Income</b>	<b>26,888.3</b>	<b>28,686.5</b>	<b>29,406.1</b>	<b>9.36%</b>	<b>2.51%</b>	<b>53,527.4</b>	<b>58,092.6</b>	<b>8.53%</b>	<b>107,305.8</b>
Less: Interest Expenses	13,358.4	12,834.5	13,082.4	-2.07%	1.93%	26,523.6	25,916.9	-2.29%	52,094.0
<b>Net Interest Income</b>	<b>13,529.9</b>	<b>15,852.0</b>	<b>16,323.7</b>	<b>20.65%</b>	<b>2.98%</b>	<b>27,003.8</b>	<b>32,175.7</b>	<b>19.15%</b>	<b>55,211.8</b>
Other Income	168.6	218.4	323.7	91.99%	48.21%	335.5	542.1	61.58%	758.3
<b>Profit After Tax</b>	<b>3,876.5</b>	<b>4,486.8</b>	<b>4,791.1</b>	<b>23.59%</b>	<b>6.78%</b>	<b>7,617.5</b>	<b>9,277.9</b>	<b>21.80%</b>	<b>12,573.4</b>
EPS (Rs.)	17.08	19.78	21.11	23.59%	6.72%	33.57	40.89	21.81%	55.42
Cost to income Ratio (%)	22.31%	20.17%	20.33%	-8.90%	0.78%	22.94%	20.25%	-11.71%	21.15%
NIM (on AUM)	7.14%	7.51%	7.48%	4.72%	-0.44%	7.25%	7.49%	3.43%	7.16%

# Key Metrics – Q2 FY18

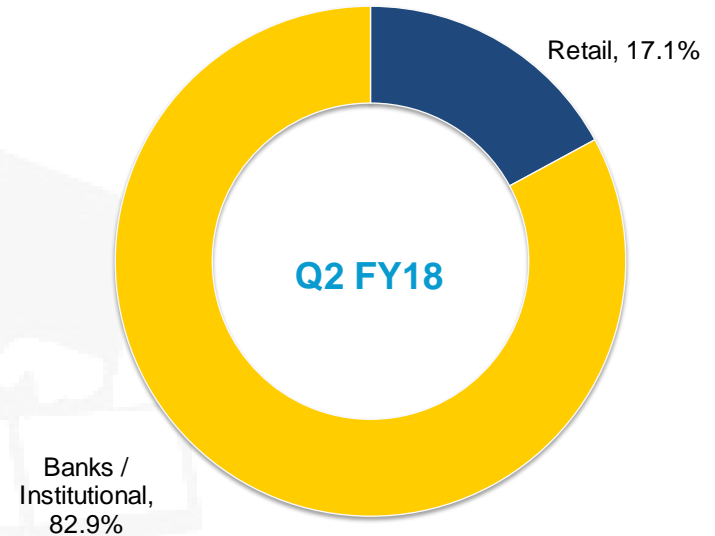
Balance Sheet Metrics (Rs. mn)	Q2 FY17	Q1 FY18	Q2 FY18	YoY (%)	QoQ (%)	H1 FY17	H1 FY18	YoY (%)	FY17
Networth	109,003.4	115,797.3	120,605.4	10.64%	4.15%	109,003.4	120,605.4	10.64%	112,921.6
Book Value (Rs.)	480.44	510.38	531.58	10.64%	4.15%	480.44	531.58	10.64%	497.71
Securitisation done	28,963	22,242	37,914	30.90%	70.46%	50,582	60,156	18.93%	112,142
Interest Coverage (x)	2.03	2.26	2.28	12.09%	0.85%	2.04	2.27	11.34%	2.08
ROA (%)	2.17%	2.34%	2.43%	11.89%	4.08%	2.16%	2.38%	10.28%	1.76%
ROE (%)	14.46%	15.68%	16.20%	12.05%	3.33%	14.47%	15.95%	10.24%	11.61%
CRAR (%)	17.44%	16.26%	16.19%	-7.17%	-0.43%	17.44%	16.19%	-7.17%	16.94%

# Borrowing Profile as on Sep 30, 2017 vs Sep 30, 2016

Rs 518.3 bn

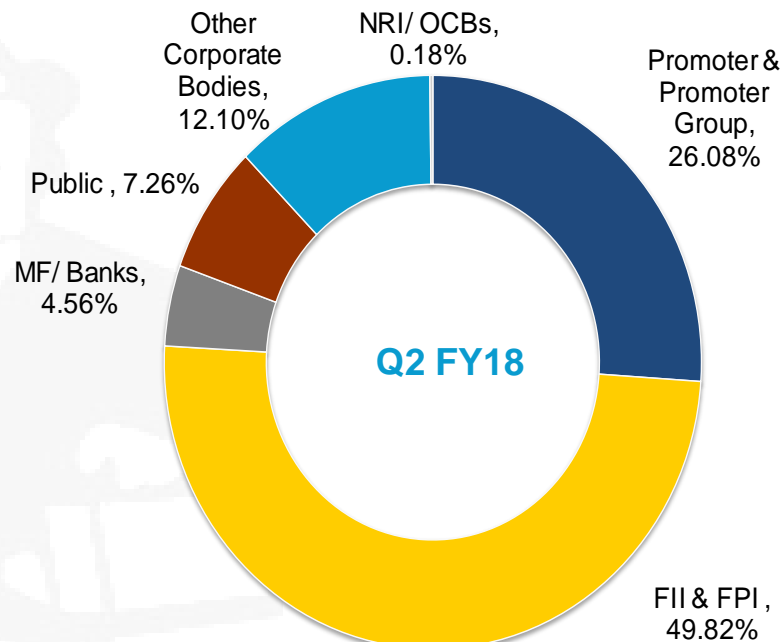
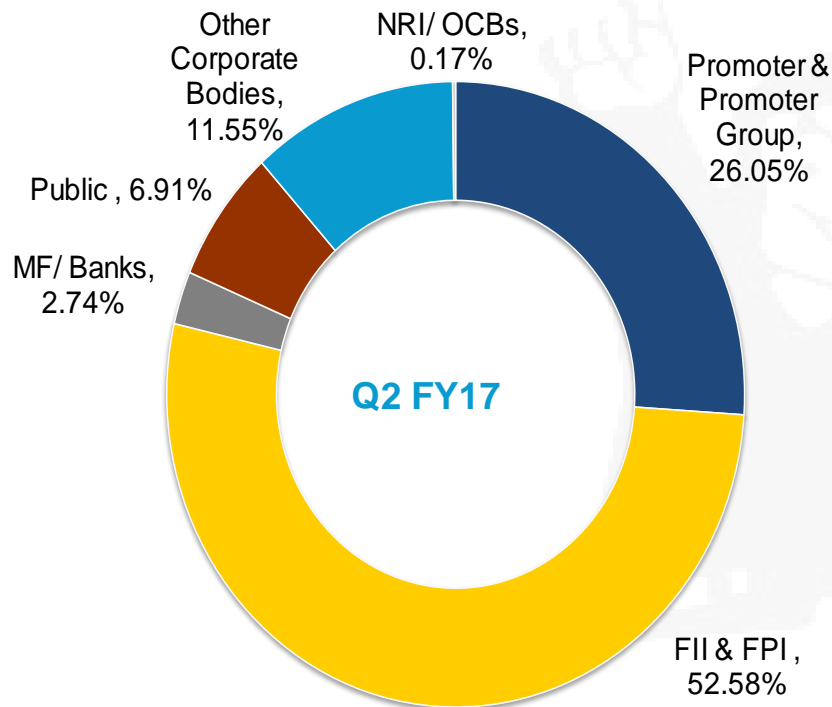


Rs 556.8 bn



# Shareholding Pattern as on Sep 30, 2017 vs Sep 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 Ltd	4.32	1.90
Government Of Singapore	3.69	1.63
Vanguard Emerging Markets Stock Index Fund	3.06	1.35
Stichting Depository Apg Emerging Markets Equity Pool	2.70	1.19
Oppenheimer International Small-Mid Company Fund	2.56	1.13
Societe Generale	2.52	1.11
Platinum Asia Fund	2.40	1.06
Public & Others	117.10	51.61
<b>Total</b>	<b>226.88</b>	<b>100.00</b>

**For any Investor Relations  
queries please contact**

Sanjay K. Mundra  
Shriram Transport Finance Co. Ltd  
Email: [smundra@stfc.in](mailto:smundra@stfc.in)  
Tel. No. +91-22-4095 9507



## About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with Assets on Balance sheet of Rs. 70,743.79 crores and off Balance sheet assets of Rs. 14,718.78 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 1,035 branches, and employs 22,205 employees including 13,790 field officers. The company has built a strong customer base of approx. 1.62 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](http://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