

# Shriram Transport Finance Company Ltd

Corporate Presentation

September 2020

**Company Overview**



**Business Model/Competitive Strengths**



**Market Dynamics & Growth Strategy**



**Organizational Structure**



**Performance Track Record**



**Recent Performance – Q2 FY21**



# COMPANY OVERVIEW



# Company Snapshot

**Leading** player in organized high yield pre-owned CV financing segment

**Diversified Portfolio** – PCV's, Construction Equipment, Tractor Financing

Over **2.10 mn** customers

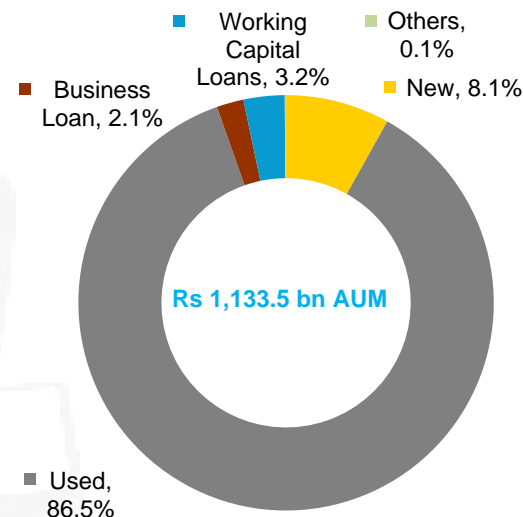
Large network of **1,784** Branch offices and **801** rural centres

Tie up with over **500** Private Financiers

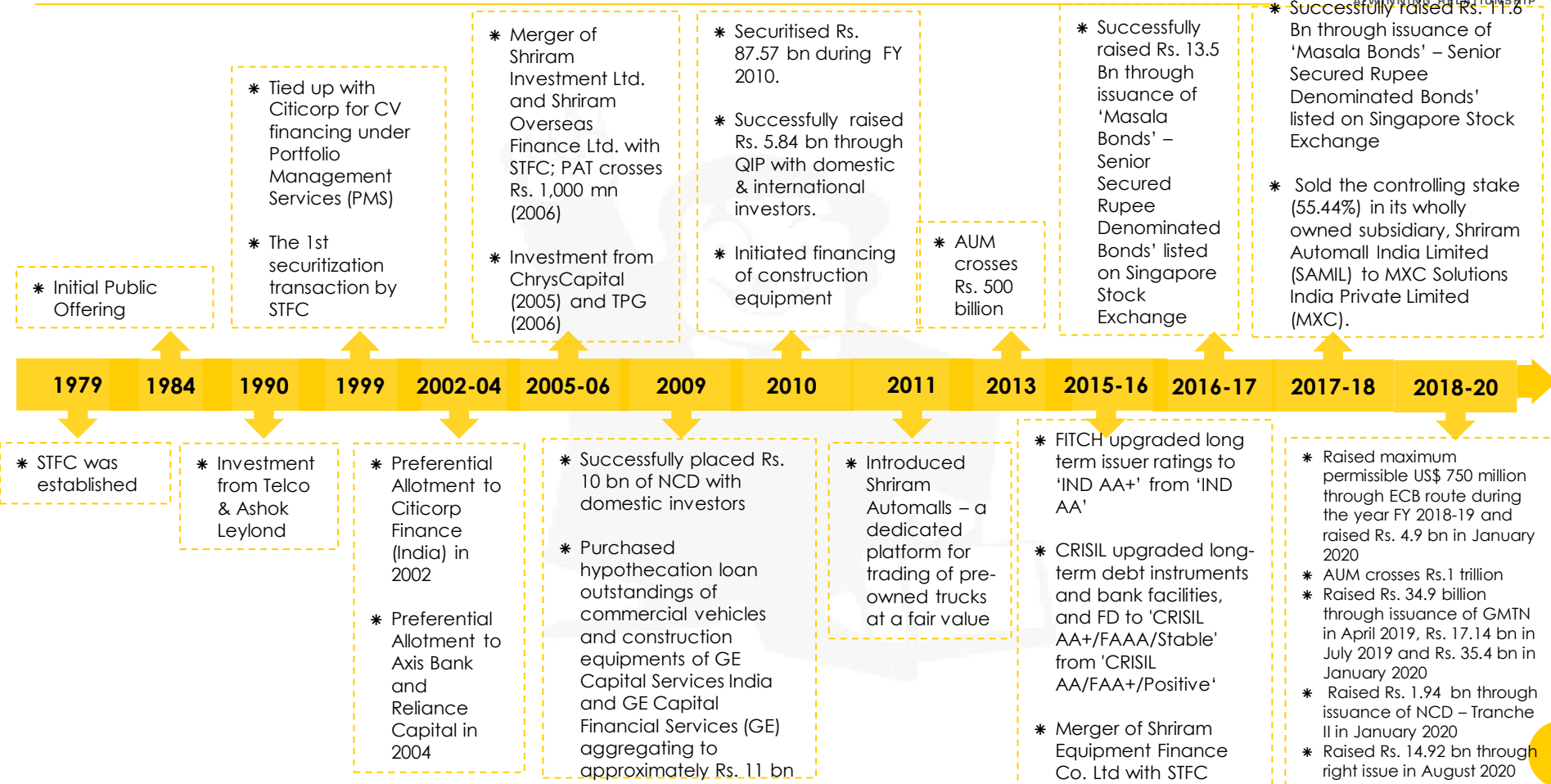
**25,893** Employees including **20,291** Business Team

Market Capitalization of **~ Rs. 156.49 billion**

FII holding of **60.60%**



# Corporate History



# BUSINESS MODEL / COMPETITIVE STRENGTHS



# Strategic Presence In High Yield Used CV Segment

## CV Financing Business Model

Pre-Owned

New

Age of Truck

1 2 3 4 5 6 7 8 9 10 11 12

Lending Rates

14-16%

16-24%

12-16%

Target Segment

\* Small truck owners (less than 5 trucks) with underdeveloped banking habits

\* Existing customer base upgrading to new trucks

Performance

\* AUM of approximately Rs. 980.9 bn at the end of Q2 FY21

\* AUM of approximately Rs. 92.3 bn at the end of Q2 FY21

Vehicles Sold  
(Industry Data)

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
LCV	460,831	524,887	432,233	382,206	383,307	411,703	516,140	616,579	492,882
MHCV	348,701	268,263	200,618	232,755	302,397	302,529	340,313	390,740	224,806
<b>Total</b>	<b>809,532</b>	<b>793,150</b>	<b>632,851</b>	<b>614,961</b>	<b>685,704</b>	<b>714,232</b>	<b>856,453</b>	<b>1,007,319</b>	<b>717,688</b>



# Valuation Expertise & Relationship Based Model

## Knowledge Driven Valuation Model

### Critical Success Factor

**Valuation**

STFC has right mix of scale and skill  
Awareness of load structure / business mix

Loan Amount  
EMI  
Repayment Ability

### Vehicle Assessment

Old CVs 60-70% LTV Ratio

New CVs 75-80% LTV Ratio

## Relationship Based Recovery Model

### Field Officers

Compulsory monthly visits  
Managing large cash collections

Small Truck Operators  
Underdeveloped banking habits

### Customer Base

Loan Origination

Inspection & Valuation

Financing

Collection / Repossession

**Well-aligned  
incentives  
structure**

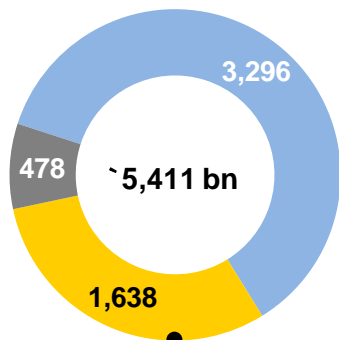


# MARKET DYNAMICS & GROWTH STRATEGY

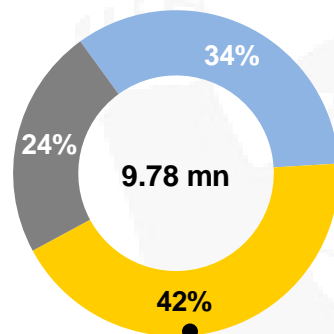


# Strong Industry Potential – Commercial Vehicles

Market Potential (Rs. bn)



Trucks (mn)



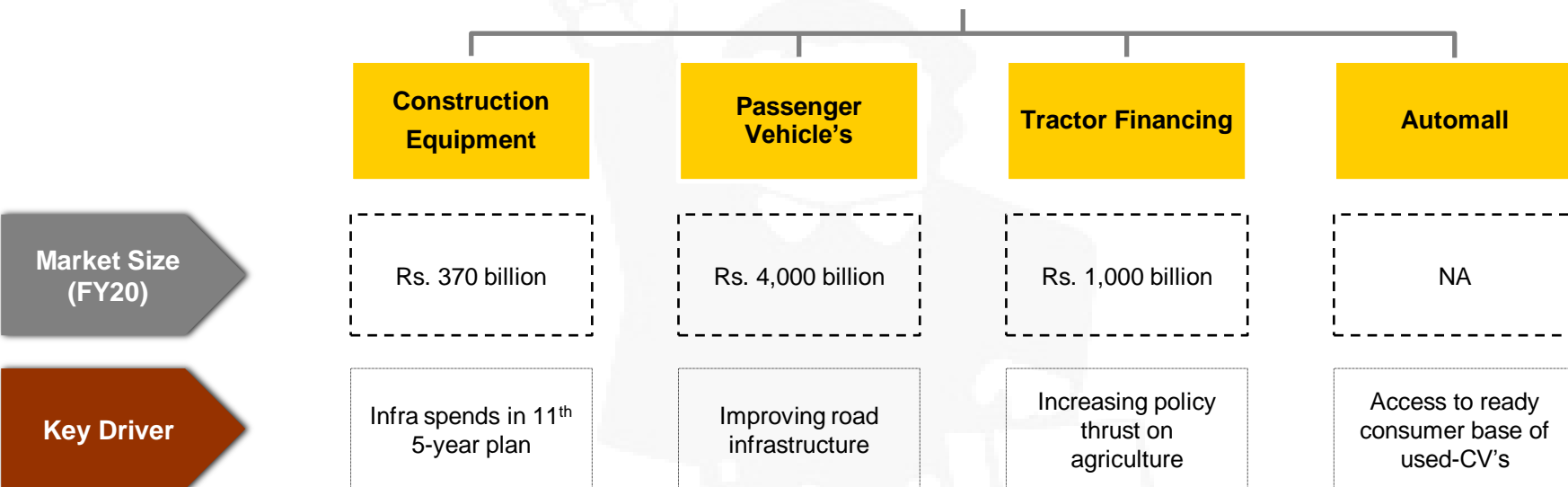
**STFC TARGET SEGMENT  
LARGEST ORGANIZED  
PLAYER**

■ 0-4 years ■ 5-10 years ■ 10+ years

- \* Market for second hand truck financing is under penetrated with 55-60% of the market with private financiers / money lenders who charge high interest rates
- \* Stringent traffic regulations in major cities limiting movement of higher tonnage vehicles
- \* Financing amount of Rs. 1,350 bn to be triggered through replacement demand for 1.35 mn new as well as pre-owned trucks
- \* Stricter emission norms and legislative pressure on banning trucks > 15 years to trigger replacement demand
- \* Freight capacity expected to grow at 1.25x GDP growth going forward
- \* STFC to benefit from exponential growth for cargo LCV's with increased penetration into rural areas

# Strong Industry Potential – Other Portfolio Segments

## Portfolio



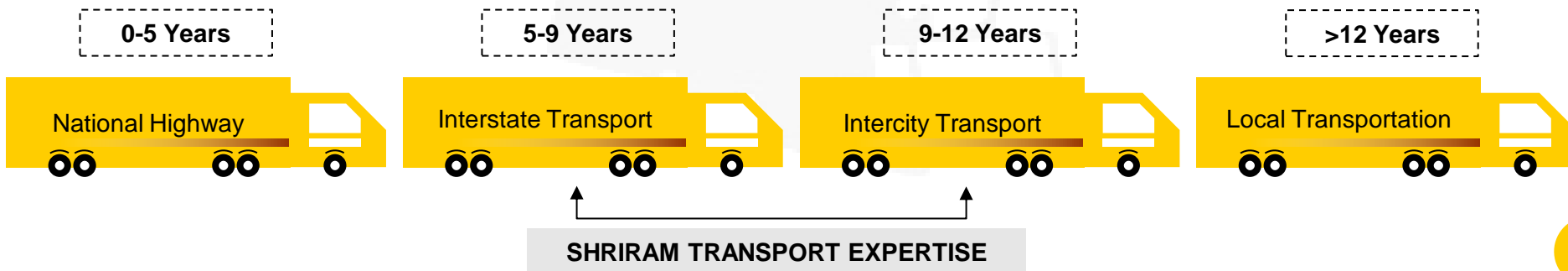
# Transportation Model – Multiple Financing Opportunities

## Hub and Spoke Transportation Model



Load re-distributed from few large hubs in major regions of the country to large number of touch points in the hinterland

## CV Life Cycle: Multiple Financing Opportunities



- \* Strengthening presence and expanding reach
- \* Increase penetration into rural and urban centres
- \* Build partnerships with private financiers in the unorganized market to leverage their local know-how to enhance market share



- \* Introduction of top-up products like finance for tyres, working capital and engine replacement
- \* Economies of scale - incremental cost of new products is low
- \* Opex to AUM low at 1.5%

**CONSERVATIVE APPROACH IN LIGHT OF CHALLENGING MACROECONOMIC CONDITIONS**

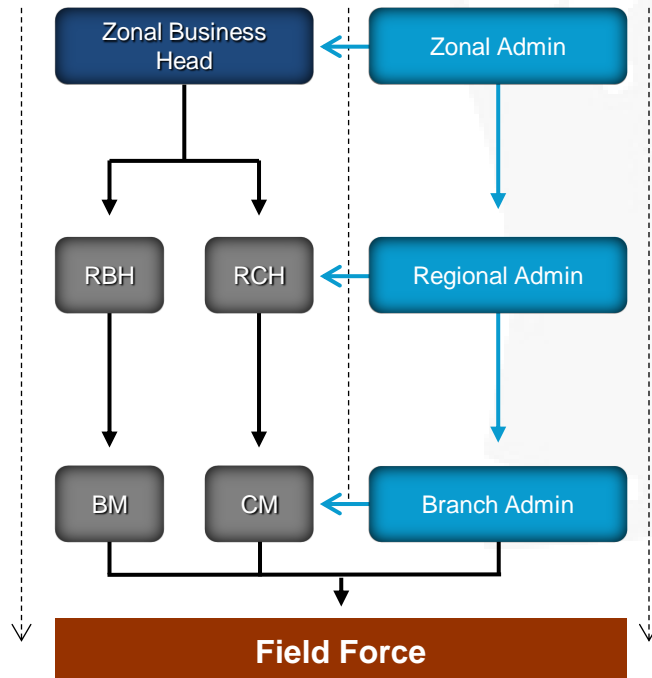
*AUM expected to grow to ~Rs. 1,575 billion by end of FY'22*

# ORGANIZATIONAL STRUCTURE, MANAGEMENT TEAM & BOARD OF DIRECTORS



# Organizational Framework Aligned to Mitigate Credit Risk

## Tri-Vertical Structure Credit, Admin and Products



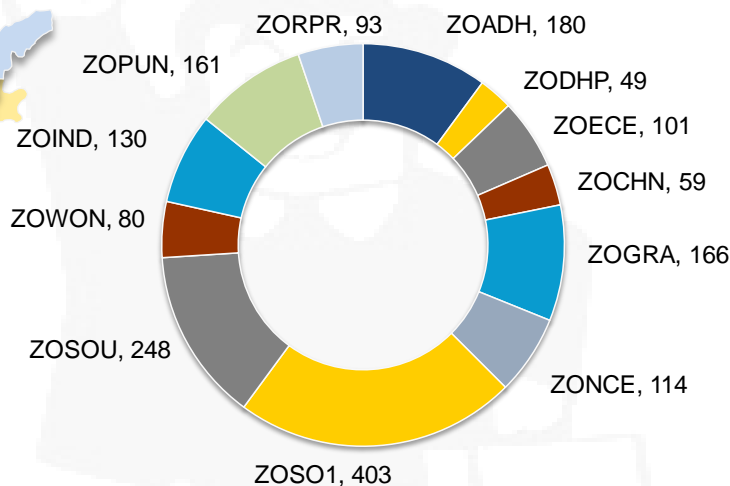
## Focus on

- \* Marketing and sales of existing products
- \* Extensive training and development of product executives
- \* Development of new products
- \* Ensuring quality appraisals
- \* Branch administration



# Well-entrenched Pan India Network

## Zonal Split of Branches



## ABBREVIATIONS

Zone	Zone Name
ZOADH	HYDERABAD ZONE
ZODHP	DELHI ZONE
ZOECE	RANCHI ZONE
ZOCHN	CHANDIGARH ZONE
ZOGRA	AHMEDABAD ZONE
ZONCE	LUCKNOW ZONE
ZOSO1	CHENNAI ZONE
ZOSOU	BANGALORE ZONE
ZOWON	KOLKATA ZONE
ZOIND	INDORE ZONE
ZOPUN	PUNE ZONE
ZORPR	RAIPUR ZONE

Branch Network

**1,784**

Branch  
Offices

**2.10mn**

Customers

**25,893**

Employees

**20,291**

Business Team

**500**

Private  
Financiers

**801**

Rural  
Centres

# Professional Management Team with Vast Industry Experience

## **Umesh Revankar** MD & CEO

- Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 30 years and has shouldered various responsibilities and worked in several key roles of business operations.
- Holds a degree in MBA Finance.

## **Parag Sharma** Executive Director & CFO

- Over 28 years experience in finance industry.
- Joined in 1995 and now heads the Finance function, a qualified Cost Accountant.

## **S. Sunder** Executive Director Accounts & Admin

- Over 28 years experience in finance industry.
- Joined in 1995 and now heads the Accounts and Administration function, a qualified Cost Accountant.

## **Sanjay K Mundra** President - Investor and Media Relations

- Over 25 years experience in the finance Industry.
- Joined in 2007, a qualified Company Secretary.

# Board of Directors

## **Subramanian Lakshminarayanan** Chairman

- Member of Indian Administrative Service (IAS – retired).
- Served at senior positions in the Ministry of Home Affairs, Ministry of Communication & IT etc.

## **Umesh Revankar** MD & CEO

- Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 30 years and has shouldered various responsibilities and worked in several key roles of business operations.
- Holds a degree in MBA Finance.

## **S Sridhar** Director

- Former Chairman & Managing Director of Central Bank of India, with nearly four decades of experience in commercial and development banking out of which 13 years were at the CEO/Board level.
- Currently, he serves as an Independent Director on the Boards of various companies, and also as a consultant to financial services companies.

## **D V Ravi** Director

- Joined CV Finance business of Shriram Group in 1992 as Head of Investment Servicing.
- Currently serves as Managing Director of Shriram Capital Ltd.
- Spearheaded several successful M&A's for TAKE.
- Started his career in Strategy and Finance in 1987 with Karnataka Oil Seeds Federation, Bangalore.
- Commerce graduate from University of Bangalore and holds PG Diploma in Management from the Institute of Rural Management, Anand (IRMA).

# Board of Directors (Contd.)

## **Mrs Kishori Udesi** **Director**

- Holds degree in MA in Economics. First woman Deputy Governor of RBI and also on the Board of SEBI, NABARD & EXIM Bank.
- Holds directorship in ION Exchange (India) Ltd., HALDYN Glass Ltd., Thomas Cook (India) Ltd., Elantas Beck India Ltd., Shriram Automall India Ltd., Kalyan Jewellers India Ltd. and SOTC Travel Ltd.

## **Ignatius Michael Viljoen** **Director**

- Head of Credit - Sanlam Pan Africa Portfolio Management, South Africa and is responsible for range of credit risk and credit portfolio management aspects across the various entities owned by the Sanlam Group outside of the Republic of South Africa .
- Associated with Sanlam group since 2003 and is a nominee Director of Sanlam.

## **Pradeep Kumar Panja** **Director**

- Holds Masters degree in Science (Statistics) from the University of Madras. He is a Certified Associate of the Indian Institute of Bankers.
- Had a long and distinguished career as a Banker, retired as a Managing Director (Corporate Banking) of State Bank of India, the largest bank of the country, in October 2015

# PERFORMANCE TRACK RECORD



# Strong Financial Track Record

P&L Metrics (Rs. mn)	FY14 IGAAP	FY15 IGAAP	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS	FY20 IndAS
Interest Income (Incl. Securitization)	75,661.4	85,158.1	1,01,953.3	1,07,305.8	1,21,435.5	1,32,710.3	1,54,441.4	1,64,781.8
Less: Interest Expenses	38,981.8	44,028.7	50,743.8	52,094.0	54,090.1	64,857.9	76,366.0	83,703.3
<b>Net Interest Income</b>	<b>36,679.6</b>	<b>41,129.4</b>	<b>51,209.5</b>	<b>55,211.8</b>	<b>67,345.4</b>	<b>67,852.4</b>	<b>78,075.4</b>	<b>81,078.5</b>
Other income	1,502.1	754.0	761.6	758.3	2,479.4	2,301.8	1,010.6	936.2
<b>Profit After Tax</b>	<b>12,642.1</b>	<b>12,378.1</b>	<b>11,782.0</b>	<b>12,573.4</b>	<b>15,680.2</b>	<b>24,605.4</b>	<b>25,639.9</b>	<b>25,018.4</b>
EPS (Rs.)	55.72	54.56	51.93	55.42	69.11	108.45	113.01	107.44*
Cost to income Ratio (%)	24.12%	23.46%	23.79%	21.15%	20.59%	20.63%	21.49%	23.32%
NIM (% on AUM)	6.68%	6.61%	7.27%	7.16%	7.50%	7.52%	7.41%	7.16%

**Note 1:** 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 being April 1, 2015.

Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

**Note 2:** \*Pursuant to Ind AS 33, earnings per share (EPS) for FY20 has been restated for the bonus element in respect of Rights Issue made during the quarter ended September 30, 2020 Hence, the numbers are not strictly comparable with the EPS for earlier years.

# Strong Financial Track Record

Balance Sheet Metrics (Rs. mn)	FY14 IGAAP	FY15 IGAAP	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS	FY20 IndAS
- On Books	3,64,877.6	4,92,271.4	6,18,783.7	6,54,628.7	7,96,729.2	8,00,013.7	8,50,847.3	1,085,017.1
- Off Books	1,66,284.3	98,811.40	1,08,822.3	1,32,980.6	1,56,333.8	1,62,592.4	1,93,975.6	12,475.3
<b>Total AUM</b>	<b>5,31,161.9</b>	<b>5,91,082.8</b>	<b>7,27,606.0</b>	<b>7,87,609.3</b>	<b>9,53,063.0</b>	<b>9,62,606.1</b>	<b>10,44,822.9</b>	<b>1,097,492.4</b>
- New	60,970.6	45,700.9	74,621.8	79,188.7	1,08,834.0	1,10,424.7	1,15,940.8	97,951.2
- Used	4,57,089.1	5,28,990.1	6,30,823.9	6,86,328.9	8,00,976.0	8,07,841.8	8,70,499.7	939,489.5
- Others	13,102.2	16,391.8	22,160.3	22,091.7	43,253.0	44,339.6	58,382.4	60,051.7
<b>Total AUM</b>	<b>5,31,161.9</b>	<b>5,91,082.8</b>	<b>7,27,606.0</b>	<b>7,87,609.3</b>	<b>9,53,063.0</b>	<b>9,62,606.1</b>	<b>10,44,822.9</b>	<b>1,097,492.4</b>
Securitisation done	1,06,795.0	44,814.0	89,917.5	1,12,142.0	1,24,671.0	1,24,671.0	1,51,231.0	165,811.0
Networth	82,295.7	92,010.7	1,01,317.8	1,12,921.6	1,25,720.4	1,35,478.6	1,58,086.6	179,775.2
Book Value (Rs.)	362.7	405.5	446.6	497.7	554.1	598.4	698.0	793.6
Interest Coverage Ratio (x)	1.99	1.96	2.03	2.08	2.29	2.08	2.03	1.97
ROA (%)	2.64%	2.28%	1.86%	1.76%	1.94%	2.64%	2.33%	2.17%
ROE (%)	16.20%	14.03%	11.99%	11.61%	13.06%	20.78%	17.52%	14.71%
CRAR (%)	23.37%	20.52%	17.56%	16.94%	16.87%	17.38%	20.27%	21.99%

**Note 1:** 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 being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.



# Healthy Asset Quality (as per IGAAP)

Particulars (Rs. mn)	FY14	FY15	FY16	FY17	FY18
Gross NPA	14,505.0	18,941.4	38,702.4	54,084.4	73,763.9
Net NPA	3,029.1	3,791.2	11,437.0	16,590.0	21,311.4
Gross NPA (%)	3.86%	3.80%	6.18%	8.16%	9.15%
Net NPA (%)	0.83%	0.79%	1.91%	2.65%	2.83%
Coverage ratio (%)	79.12%	79.98%	70.45%	69.33%	71.11%
NPA Recognition on	180 dpd	180 dpd	150 dpd	120 dpd	90 dpd

- \* Client and truck-wise exposure limits
- \* Substituted formal credit evaluation tools, viz. information based model with relationship based model
- \* Relationship based model:
  - Focused on earning capacity of asset
  - Same Field executive responsible for origination as well as collection
  - Asset backed lending with adequate cover
  - Repossession last resort

- \* Pursuant to the amalgamation of Shriram Equipment Finance Co. Ltd. – NPA (on 150 dpd basis) of Rs. 8.94 billion have been included in the standalone financials (for FY16)
- \* Coverage ratio maintained at ~70% despite transitioning to 90 dpd recognition

**Note 1:** 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 being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods.

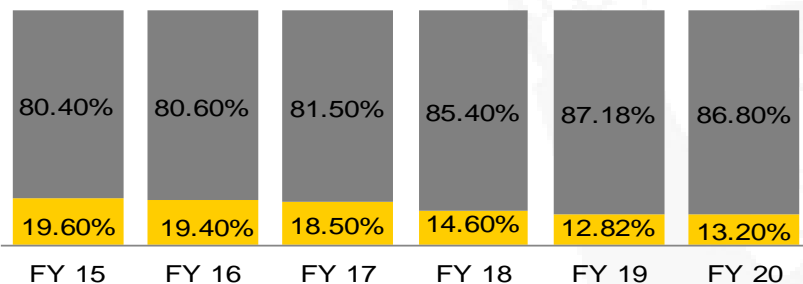
# Healthy Asset Quality (as per IndAS)

Particulars (Rs. mn)	FY18	FY19	FY20	YoY (%)
Gross Stage 3	90,842.1	86,222.7	91,797.1	6.47%
ECL provision-Stage 3	30,953.2	29,670.0	31,886.5	7.47%
Net Stage 3	59,888.9	56,552.7	59,910.6	5.94%
Gross Stage 3 (%)	9.39%	8.37%	8.36%	-0.16%
Net Stage 3 (%)	6.19%	5.65%	5.62%	-0.63%
Coverage Ratio (%) Stage 3	34.07%	34.41%	34.74%	0.94%
Gross Stage 1 & 2	876,201.3	943,584.7	1,006,319.5	6.65%
ECL provision-Stage 1 & 2	23,650.2	26,037.0	31,433.6	20.73%
Net Stage 1 & 2	852,551.1	917,547.7	974,885.9	6.25%
ECL provision (%) Stage 1 & 2	2.70%	2.76%	3.12%	13.20%

# Access to Low Cost Funds

## Funding Mix as % of Overall Liabilities

■ Retail ■ Banks/Institutions



- \* Strategic mix of retail deposits and institutional funding matched favorably with deployment
- \* Access to fixed rate long term loans of 3 - 5 years due to strong relationships with public, private sector, foreign banks and institutions
- \* Securitization of loan book at regular intervals to fund new originations and maintain growth momentum
  - Securitized assets portfolio stands at Rs. 244.2 bn and Direct Assignment Portfolio Rs. 16.2 bn at the end of Q2 FY21
- \* Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements till FY'17

Credit Rating Agency	Instruments	Ratings
CARE	Commercial Paper	CARE A1+
CARE	Non-convertible debentures	CARE AA+/Negative
CARE	Subordinated debt	CARE AA+/Negative
CRISIL	Bank Loan Long-term	CRISIL AA+/Negative
CRISIL	Bank Loan Short-term	CRISIL A1+
CRISIL	Fixed deposit	CRISIL FAAA/ Negative
CRISIL	NCD's	CRISIL AA+/Negative
CRISIL	PP-MLD	CRISIL PP-MLD AA+r/Negative
CRISIL	Short Term Debt's	CRISIL A1+
CRISIL	Subordinate Debt's	CRISIL AA+/Negative
India Ratings	NCD's	IND AA+/RWN
India Ratings	Subordinated Debt's	IND AA+/RWN
India Ratings	Commercial Paper	IND A1+
ICRA	Fixed Deposit	MAA+ with Stable outlook
S&P	Long Term Issuer Credit Rating	BB-/ Watch Negative
S&P	Offshore Rupee Denominated Bond's	BB-/ Watch Negative
S&P	Short Term Issuer Credit Rating	B
S&P	U.S. Dollar Senior Secured Notes	BB-/ Watch Negative
FTCH	Long Term Issuer Default Rating	BB/ Negative Outlook
FTCH	Short Term Issuer Default Rating	B
FTCH	Offshore Rupee Denominated Bond's	BB/Negative Outlook
FTCH	U.S. Dollar Senior Secured Notes	BB/Negative Outlook

RWN= Rating Watch Negative

# 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 two fund raising :

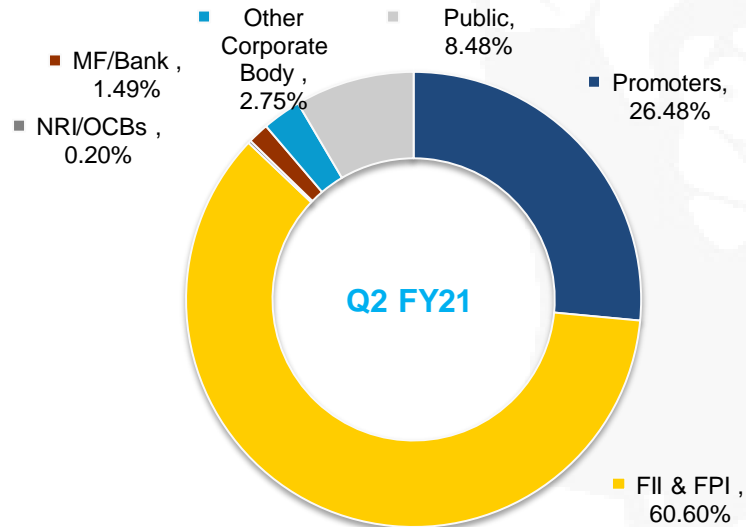
1. On August 06, 2020, allotted 26.179 mn equity shares of face value of Rs. 10/- each ("Rights Equity Shares") aggregating to Rs. 14.92 bn to the eligible equity shareholders for cash at a price of Rs. 570/- per Rights Equity Share (including a premium of Rs. 560/- per rights equity share) in the ratio of 3 rights equity shares for every 26 equity shares held by the eligible equity shareholders on the record date i.e. July 10, 2020.

2. On January 28, 2010, allotted 11.658 mn equity shares at Rs. 500.80 per equity share to Qualified Institutional Buyers (QIB) for an aggregate sum of Rs. 5.84 bn to 45 marquee global as well as domestic funds and insurers, which included 22 existing investors and the rest, new investors.

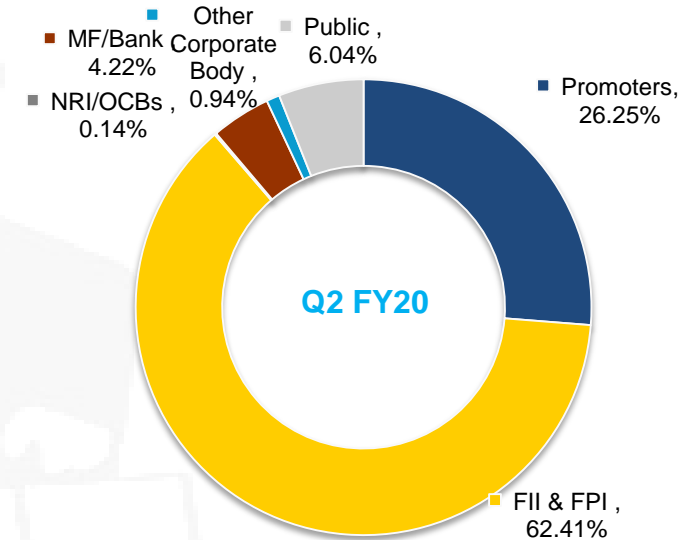
Key Shareholders	Current Shareholding (Mn Shares)	%
Shriram Capital Limited	66.96	26.46
Fidelity Investment Trust Fidelity Series Emerging Markets	12.96	5.12
Sanlam Life Insurance Limited	7.54	2.98
Government Pension Fund Global	4.78	1.89
Wishbone Fund, Ltd.	4.38	1.73
T. Rowe Price International Growth and Income Fund	4.36	1.72
Life Insurance Corporation of India	4.24	1.68
T. Rowe Price New Asia Fund	3.37	1.33
Composite Capital Master Fund LP	3.16	1.25
Vanguard Total International Stock Index Fund	3.00	1.19
Public & Others	138.32	54.65
<b>Total</b>	<b>253.06</b>	<b>100.00</b>

# Shareholding Pattern as on September 30, 2020 vs September 30, 2019

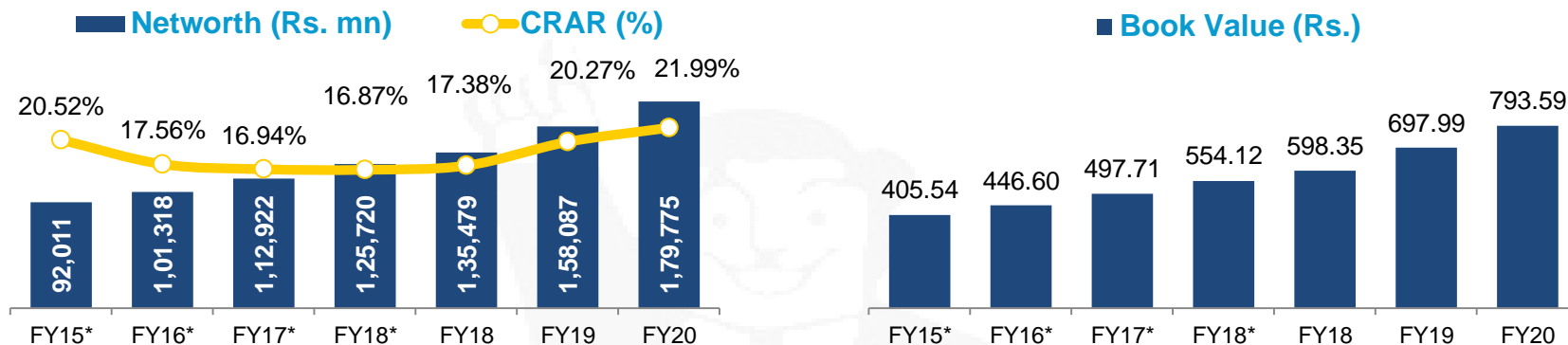
No. of shares outstanding: 253.06 mn



No. of shares outstanding: 226.88 mn



# Well-Capitalized Balance Sheet



\* FY15 - FY18 financials as per IGAAP.

\* Capital Adequacy Ratio at 21.99% (Tier I- 18.13%, Tier II- 3.86%) as on March 31, 2020 vs 15% mandated by RBI

**Note 1:** 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 being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for earlier periods

# RECENT PERFORMANCE







# BUSINESS UPDATE





- \* In spite of the moratorium, the Company has been able to collect from 84 % , 23 % , 52 % , 71 % , 73 % , 78 % borrowers in the month of March , April , May , June, July and August 2020 respectively.
- \* Post moratorium, the collections for the month of September 2020 was 95 % of the Demand.
- \* The Company expects One Time Restructuring to be opted by around 3 % of its portfolio whose business is still being impacted by COVID – 19.
- \* The liquidity buffer and SLR investments was Rs. 108.91 bn and Rs. 18.09 bn respectively.

Additional Expected Credit Loss (ECL) provision on Loans on account of COVID – 19

Particulars (Rs. mn)	Q4FY20	Q1 FY21	Q2 FY21	H1 FY21	Cumulative provision till September 30 2020
COVID – 19 provision	9,096.40	9,561.50	4,166.50	13,728.00	22,824.40





The above additional ECL provision is based on the Company's historical experience and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

# Performance Highlights – Q2 FY21 vs Q2 FY20 (as per Ind AS)

Total Income	4.68%		Q2 FY21	Rs 43,512.6 mn
			Q2 FY20	Rs 41,569.2 mn
Net Interest Income*	1.67%		Q2 FY21	Rs 20,218.6 mn
			Q2 FY20	Rs 20,561.1 mn
* including Direct assignment Income Rs. 680.2 Mn (Q2 FY20 Rs 38.90 Mn)				
PAT	10.52%		Q2 FY21	Rs 6,845.6 mn
			Q2 FY20	Rs 7,650.5 mn
EPS	15.43%		Q2 FY21	Rs 27.79
			Q2 FY20	Rs 32.86

\* Cost to income ratio at 21.70% in Q2 FY21 as compared to 23.13% in Q2 FY20

# Performance Highlights – H1 FY21 vs H1 FY20 (as per Ind AS)

Total Income	3.76%		H1 FY21	Rs 84,954.3 mn
			H1 FY20	Rs 81,875.4 mn
Net Interest Income*	4.14%		H1 FY21	Rs 38,649.3 mn
			H1 FY20	Rs 40,318.3 mn
* including Direct assignment Income Rs. 711.4 Mn (H1 FY20 Rs 149.2 Mn)				
PAT	28.21%		H1 FY21	Rs 10,046.2 mn
			H1 FY20	Rs 13,993.0 mn
EPS	32.14%		H1 FY21	Rs 40.78
			H1 FY20	Rs 60.09

\* Cost to income ratio at 20.27% in H1 FY21 as compared to 22.48% in H1 FY20

# Performance Highlights – Q2 FY21 vs Q2 FY20 (as per Ind AS)

<b>AUM</b>	<b>4.83%</b> ↑	Q2 FY21	<b>Rs 1,133,459.3 mn</b>
		Q2 FY20	Rs 1,081,202.4 mn
<b>Gross Stage 3 assets</b>	<b>12.55%</b> ↓	Q2 FY21	<b>Rs 82,171.2 mn</b>
		Q2 FY20	Rs 93,965.6 mn
<b>Net Stage 3 assets</b>	<b>22.35%</b> ↓	Q2 FY21	<b>Rs 49,540.5 mn</b>
		Q2 FY20	Rs 63,800.2 mn
<b>Book Value</b>	<b>6.87%</b> ↑	Q2 FY21	<b>Rs 802.66</b>
		Q2 FY20	Rs 751.03

\* CRAR at 23.44% as of Q2 FY21 compared to 20.35% as of Q2 FY20.

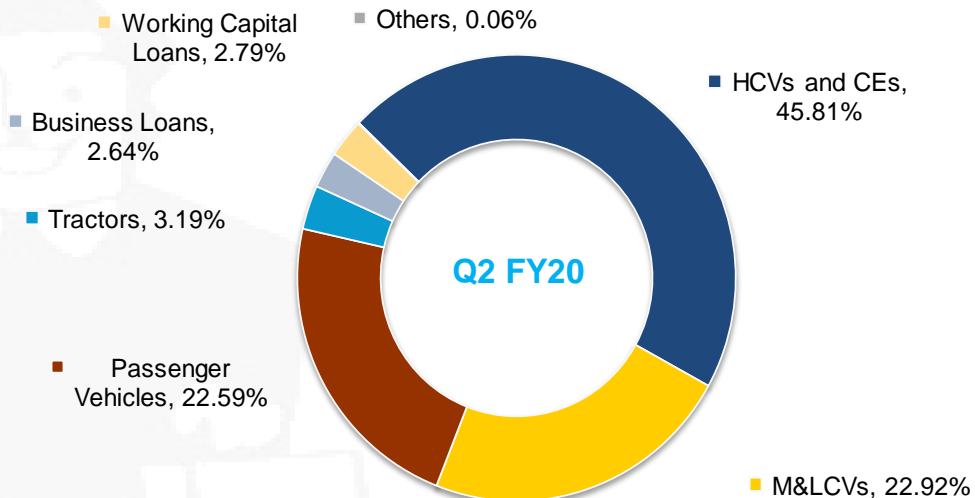
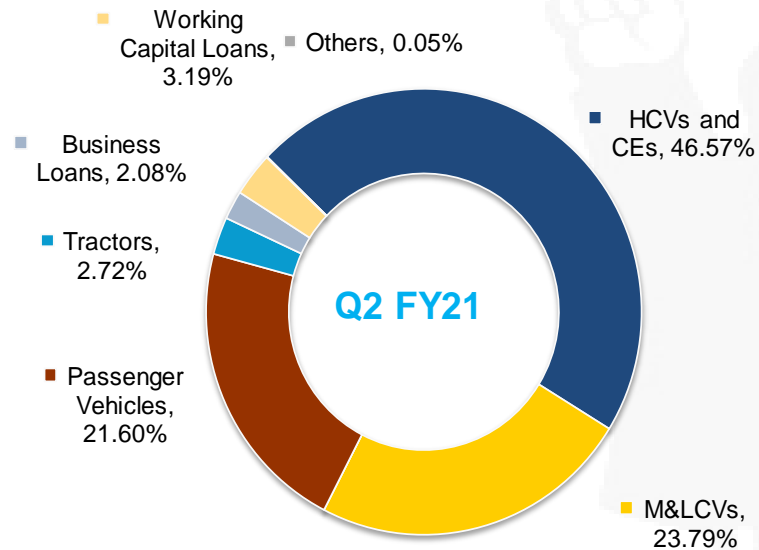
# AUM Break-up

Particulars (Rs. mn)	Q2 FY20	Q1 FY21	Q2 FY21	YoY (%)	QoQ (%)	H1 FY20	H1 FY21	YoY (%)	FY20
<b>Loan Portfolio</b>									
- On Books									
Balance sheet assets	8,47,722.0	8,76,987.8	8,73,031.2	2.99%	-0.45%	8,47,722.0	8,73,031.2	2.99%	8,73,971.2
Securitised assets	2,16,911.7	2,28,830.4	2,44,232.1	12.60%	6.73%	2,16,911.7	2,44,232.1	12.60%	2,11,045.9
<b>Total On books</b>	<b>10,64,633.7</b>	<b>11,05,818.2</b>	<b>11,17,263.3</b>	<b>4.94%</b>	<b>1.03%</b>	<b>10,64,633.7</b>	<b>11,17,263.3</b>	<b>4.94%</b>	<b>10,85,017.1</b>
- Off Books*	16,568.7	11,745.5	16,196.0	-2.25%	37.89%	16,568.7	16,196.0	-2.25%	12,475.3
<b>Total AUM</b>	<b>10,81,202.4</b>	<b>11,17,563.7</b>	<b>11,33,459.3</b>	<b>4.83%</b>	<b>1.42%</b>	<b>10,81,202.4</b>	<b>11,33,459.3</b>	<b>4.83%</b>	<b>10,97,492.4</b>
- New	1,09,666.6	96,561.0	92,324.7	-15.81%	-4.39%	1,09,666.6	92,324.7	-15.81%	97,951.2
- Used	9,12,146.4	9,58,640.0	9,80,888.3	7.54%	2.32%	9,12,146.4	9,80,888.3	7.54%	9,39,489.5
- Business Loans	28,521.4	25,217.3	23,621.7	-17.18%	-6.33%	28,521.4	23,621.7	-17.18%	25,649.8
- Working capital loans	30,267.6	36,656.9	36,114.2	19.32%	-1.48%	30,267.6	36,114.2	19.32%	33,859.4
- Others	600.4	488.5	510.4	-14.99%	4.48%	600.4	510.4	-14.99%	542.5
<b>Total AUM</b>	<b>10,81,202.4</b>	<b>11,17,563.7</b>	<b>11,33,459.3</b>	<b>4.83%</b>	<b>1.42%</b>	<b>10,81,202.4</b>	<b>11,33,459.3</b>	<b>4.83%</b>	<b>10,97,492.4</b>

\*Off Books pertains to Direct assignment portfolio



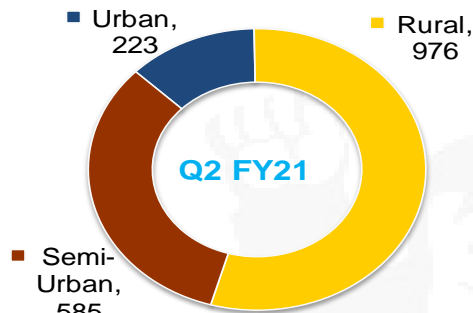
# Segment-wise Break up



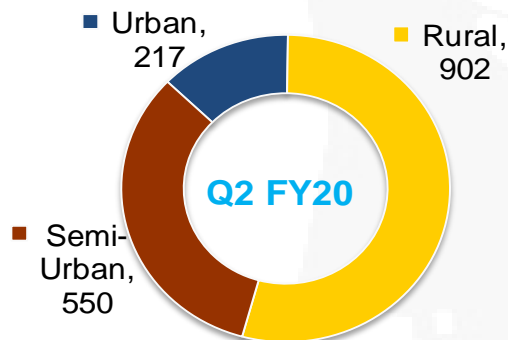
# Branch & AUM distribution – Q2 FY21 vs Q2 FY20

## Branch (Nos)

Total Branch 1,784

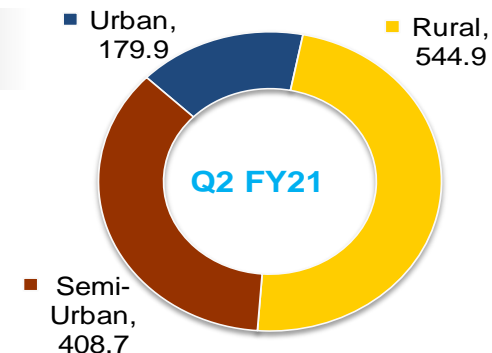


Total Branch 1,669

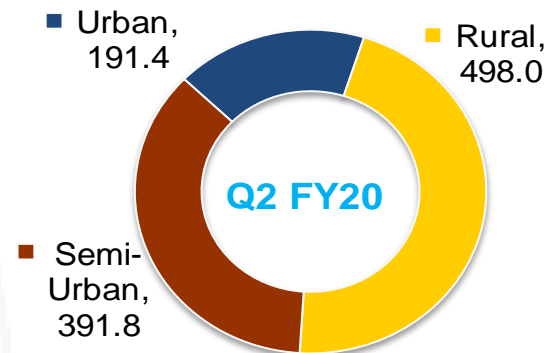


## AUM (Rs in bn)

Total AUM Rs 1,133.5 bn



Total AUM Rs 1,081.2 bn



Urban branches represents places where population in more than 10 Lakh  
Semi-urban branches represents places where population in less between 1 Lakh to 10 Lakh  
Rural branches represents places where population in less than 1 Lakh

# Provision Analysis

As per IND AS

Particulars (Rs. mn)	Q2 FY20	Q1 FY21	Q2 FY21	YoY (%)	QoQ (%)	H1 FY20	H1 FY21	YoY (%)	FY20	Q2 FY21 as per Supreme court order
Gross Stage 3	93,965.6	89,307.5	82,171.2	-12.55%	-7.99%	93,965.6	82,171.2	-12.55%	91,797.1	72,656.1
ECL provision-Stage 3	30,165.4	34,429.1	32,630.7	8.17%	-5.22%	30,165.4	32,630.7	8.17%	31,886.5	32,630.7
Net Stage 3	63,800.2	54,878.4	49,540.5	-22.35%	-9.73%	63,800.2	49,540.5	-22.35%	59,910.6	40,025.3
Gross Stage 3 (%)	8.80%	7.98%	7.26%	-17.44%	-9.02%	8.80%	7.26%	-17.44%	8.36%	6.42%
Net Stage 3 (%)	6.15%	5.06%	4.51%	-26.64%	-10.91%	6.15%	4.51%	-26.64%	5.62%	3.64%
Coverage Ratio (%) Stage 3	32.10%	38.55%	39.71%	23.70%	3.01%	32.10%	39.71%	23.70%	34.74%	44.91%
Gross Stage 1 & 2	974,057.2	1,029,274.7	1,049,026.2	7.70%	1.92%	974,057.2	1,049,026.2	7.70%	1,006,319.5	1,058,541.4
ECL provision-Stage 1 & 2	27,664.6	38,412.4	41,776.6	51.01%	8.76%	27,664.6	41,776.6	51.01%	31,433.6	41,776.6
Net Stage 1 & 2	946,392.6	990,862.3	1,007,249.6	6.43%	1.65%	946,392.6	1,007,249.6	6.43%	974,885.9	1,016,764.8
ECL provision (%) Stage 1 & 2	2.84%	3.73%	3.98%	40.22%	6.71%	2.84%	3.98%	40.22%	3.12%	3.95%

# P&L Statement

Particulars (Rs. mn)	Q2 FY20	Q1 FY21	Q2 FY21	YoY (%)	QoQ (%)	H1 FY20	H1 FY21	YoY (%)	FY20
Interest income	41,322.2	41,278.9	43,237.5	4.64%	4.74%	81,476.7	84,516.4	3.73%	164,781.8
Interest expended	20,761.1	22,848.2	23,018.9	10.88%	0.75%	41,158.4	45,867.1	11.44%	83,703.3
Net interest income	20,561.1	18,430.7	20,218.6	-1.67%	9.70%	40,318.3	38,649.3	-4.14%	81,078.5
Other Operating Income	-	-	-	-	-	-	-	-	-58.8
<b>Operating income</b>	<b>20,561.1</b>	<b>18,430.7</b>	<b>20,218.6</b>	<b>-1.67%</b>	<b>9.70%</b>	<b>40,318.3</b>	<b>38,649.3</b>	<b>-4.14%</b>	<b>81,019.7</b>
Operating expenditure	4,920.4	3,636.1	4,680.9	-4.87%	28.73%	9,388.9	8,317.0	-11.42%	19,679.2
<b>Core operating profit *</b>	<b>15,640.7</b>	<b>14,794.6</b>	<b>15,537.7</b>	<b>-0.66%</b>	<b>5.02%</b>	<b>30,929.4</b>	<b>30,332.3</b>	<b>-1.93%</b>	<b>61,340.5</b>
Other income	234.5	157.1	221.1	-5.71%	40.74%	373.4	378.2	1.29%	995.0
<b>Operating profit</b>	<b>15,875.2</b>	<b>14,951.7</b>	<b>15,758.8</b>	<b>-0.73%</b>	<b>5.40%</b>	<b>31,302.8</b>	<b>30,710.5</b>	<b>-1.89%</b>	<b>62,335.5</b>
Loan Losses & Provisions	6,606.5	10,645.9	6,554.6	-0.79%	-38.43%	12,218.3	17,200.5	40.78%	27,948.8
<b>Profit before tax</b>	<b>9,268.7</b>	<b>4,305.8</b>	<b>9,204.2</b>	<b>-0.70%</b>	<b>113.76%</b>	<b>19,084.5</b>	<b>13,510.0</b>	<b>-29.21%</b>	<b>34,386.7</b>
Tax Expense	1,618.2	1,105.2	2,358.6	45.75%	113.41%	5,091.5	3,463.8	-31.97%	9,368.3
<b>Profit after tax</b>	<b>7,650.5</b>	<b>3,200.6</b>	<b>6,845.6</b>	<b>-10.52%</b>	<b>113.88%</b>	<b>13,993.0</b>	<b>10,046.2</b>	<b>-28.21%</b>	<b>25,018.4</b>
<b>Other comprehensive Income (Net)</b>	<b>-14.2</b>	<b>-1,914.5</b>	<b>210.0</b>	<b>-1578.87%</b>	<b>-110.97%</b>	<b>-44.3</b>	<b>-1,704.5</b>	<b>3747.63%</b>	<b>-47.4</b>
<b>Total Comprehensive Income</b>	<b>7,636.3</b>	<b>1,286.1</b>	<b>7,055.6</b>	<b>-7.60%</b>	<b>448.60%</b>	<b>13,948.7</b>	<b>8,341.7</b>	<b>-40.20%</b>	<b>24,971.0</b>
<b>EPS (Rs)</b>	<b>32.86</b>	<b>12.99</b>	<b>27.79</b>	<b>-15.43%</b>	<b>113.93%</b>	<b>60.09</b>	<b>40.78</b>	<b>-32.14%</b>	<b>107.44</b>
<b>Tier I CRAR %</b>	<b>16.31%</b>	<b>18.34%</b>	<b>20.12%</b>	<b>23.36%</b>	<b>9.71%</b>	<b>16.31%</b>	<b>20.12%</b>	<b>23.36%</b>	<b>18.13%</b>
<b>Tier II CRAR %</b>	<b>4.04%</b>	<b>3.59%</b>	<b>3.32%</b>	<b>-17.81%</b>	<b>-7.51%</b>	<b>4.04%</b>	<b>3.32%</b>	<b>-17.81%</b>	<b>3.86%</b>
<b>Total CRAR %</b>	<b>20.35%</b>	<b>21.93%</b>	<b>23.44%</b>	<b>15.19%</b>	<b>6.89%</b>	<b>20.35%</b>	<b>23.44%</b>	<b>15.19%</b>	<b>21.99%</b>
<b>Book Value (Rs)</b>	<b>751.03</b>	<b>799.26</b>	<b>802.66</b>	<b>6.88%</b>	<b>0.43%</b>	<b>751.03</b>	<b>802.66</b>	<b>6.88%</b>	<b>793.59</b>

\*Before Provisions & Contingencies

# Balance Sheet

Particulars (Rs. mn)	Sep-19	Jun-20	Sep-20	YoY (%)	QoQ (%)	Mar-20
<b>I. ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	7,564.7	32,865.8	29,250.8	286.67%	-11.00%	30,889.9
Bank Balance other than above	38,038.2	39,932.7	63,006.2	65.64%	57.78%	42,259.3
Derivative financial instruments	1,718.4	5,177.7	2,431.9	41.52%	-53.03%	7,587.3
Receivables						
(I) Trade Receivables	116.2	48.0	61.1	-47.42%	27.29%	105.0
(II) Other Receivables	29.9	18.5	810.2	2609.70%	4279.46%	56.4
Loans	1,006,913.7	1,034,011.6	1,043,394.5	3.62%	0.91%	1,022,316.3
Investments	27,573.8	28,328.8	29,762.7	7.94%	5.06%	27,984.8
Other-financial assets	348.7	380.0	378.4	8.52%	-0.42%	387.0
<b>Non Financial assets</b>						
Current tax assets (net)	3,815.6	2,491.0	2,491.0	-34.72%	0.00%	2,491.0
Deferred tax assets (net)	311.3	1,452.7	1,291.1	314.74%	-11.12%	625.0
Investment Property	20.5	20.2	20.1	-1.95%	-0.50%	20.3
Property, plant and equipment	1,459.6	1,403.8	1,323.5	-9.32%	-5.72%	1,498.8
Right-of-use assets	3,461.2	3,131.8	3,028.3	-12.51%	-3.30%	3,342.9
Other Intangible assets	26.7	24.2	23.0	-13.86%	-4.96%	26.7
Other non-financial assets	1,553.3	1,839.8	1,955.4	25.89%	6.28%	1,695.7
<b>Total</b>	<b>1,092,951.8</b>	<b>1,151,126.6</b>	<b>1,179,228.2</b>	<b>7.89%</b>	<b>2.44%</b>	<b>1,141,286.4</b>

# Balance Sheet (Continued)

Particulars (Rs. mn)	Sep-19	Mar-20	Sep-20	YoY (%)	QoQ (%)	Mar-20
<b>II. Liabilities and Equity</b>						
<b>Financial Liabilities</b>						
Derivative financial instruments	225.0	-	-	-100.00%	-	-
Payables	1,871.7	1,129.8	1,244.4	-33.51%	10.14%	1,449.7
Debt Securities	310,771.1	338,829.9	325,170.8	4.63%	-4.03%	342,669.6
Borrowings (other than debt securities)	419,483.1	444,360.6	457,796.9	9.13%	3.02%	424,746.0
Deposits	114,504.5	120,565.4	129,167.1	12.81%	7.13%	119,601.2
Subordinated Liabilities	61,174.9	48,824.9	46,871.1	-23.38%	-4.00%	56,700.7
Other financial liabilities	8,118.9	9,244.5	9,130.2	12.46%	-1.24%	9,123.2
Lease liabilities	3,640.6	3,454.5	3,405.1	-6.47%	-1.43%	3,628.1
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	1,024.8	1,536.5	1,525.4	48.85%	-0.72%	1,020.2
Provisions	1,411.8	1,543.8	1,490.3	5.56%	-3.47%	1,463.3
Other non-financial liabilities	328.6	299.0	303.4	-7.67%	1.47%	832.8
<b>Equity</b>						
Equity share capital	2,268.8	2,268.8	2,530.6	11.54%	11.54%	2,268.8
Other equity	168,128.0	179,068.9	200,592.9	19.31%	12.02%	177,782.8
<b>Total</b>	<b>1,092,951.8</b>	<b>1,151,126.6</b>	<b>1,179,228.2</b>	<b>7.89%</b>	<b>2.44%</b>	<b>1,141,286.4</b>

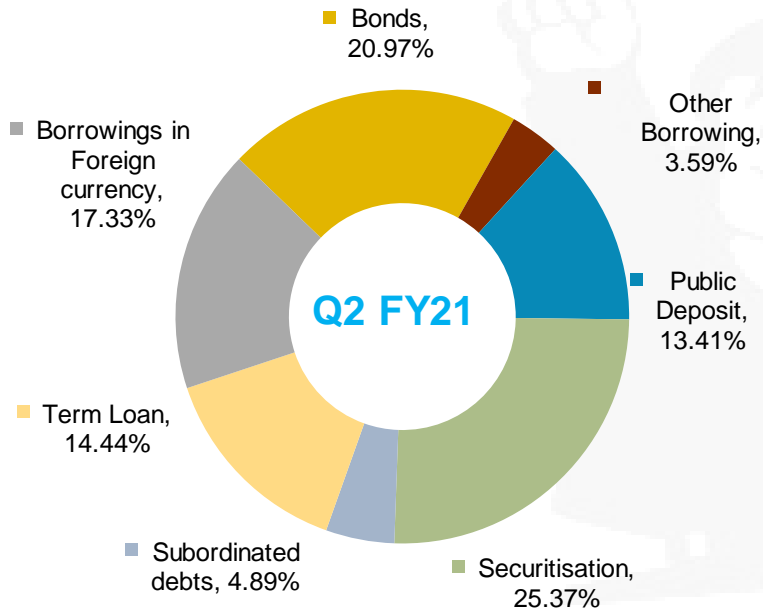
# Key Metrics – Q2 FY21

P&L Metrics (Rs. mn)	Q2 FY20	Q1 FY21	Q2 FY21	YoY (%)	QoQ (%)	H1 FY20	H1 FY21	YoY (%)	FY20
Interest Income	41,322.2	41,278.9	43,237.5	4.64%	4.74%	81,476.7	84,516.4	3.73%	164,781.8
Less: Interest Expenses	20,761.1	22,848.2	23,018.9	10.88%	0.75%	41,158.4	45,867.1	11.44%	83,703.3
<b>Net Interest Income</b>	<b>20,561.1</b>	<b>18,430.7</b>	<b>20,218.6</b>	<b>-1.67%</b>	<b>9.70%</b>	<b>40,318.3</b>	<b>38,649.3</b>	<b>-4.14%</b>	<b>81,078.5</b>
Other Operating Income & Other Income	234.5	157.1	221.1	-5.71%	40.74%	373.4	378.2	1.29%	936.2
<b>Profit After Tax</b>	<b>7,650.5</b>	<b>3,200.6</b>	<b>6,845.6</b>	<b>-10.52%</b>	<b>113.88%</b>	<b>13,993.0</b>	<b>10,046.2</b>	<b>-28.21%</b>	<b>25,018.4</b>
EPS (Rs.)	32.86	12.99	27.79	-15.43%	113.93%	60.09	40.78	-32.14%	107.44
Cost to income Ratio (%)	23.13%	18.69%	21.70%	-6.21%	16.09%	22.48%	20.27%	-9.85%	23.32%
NIM (on AUM)	7.26%	6.42%	6.66%	-8.23%	3.67%	7.23%	6.55%	-9.52%	7.16%

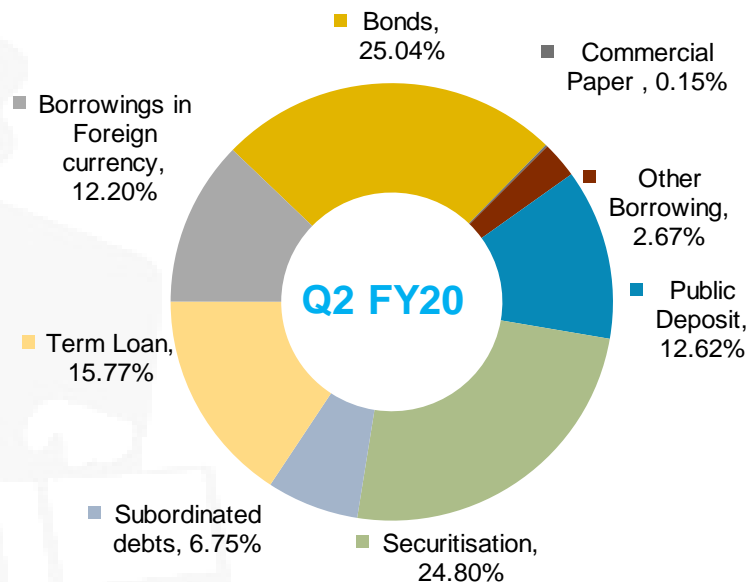
Balance Sheet Metrics (Rs. mn)	Q2 FY20	Q1 FY21	Q2 FY21	YoY (%)	QoQ (%)	H1 FY20	H1 FY21	YoY (%)	FY20
Networth	170,120.4	181,061.3	202,847.1	19.24%	12.03%	170,120.4	202,847.1	19.24%	179,775.2
Book Value (Rs.)	751.03	799.26	802.66	6.88%	0.43%	751.03	802.66	6.88%	793.59
Interest Coverage (x)	2.00	1.81	1.89	-5.50%	4.42%	1.99	1.85	-7.04%	1.98
ROA (%)	2.67%	1.06%	2.22%	-17.09%	109.63%	2.47%	1.64%	-33.40%	2.17%
ROE (%)	18.37%	7.09%	14.24%	-22.46%	101.05%	17.11%	10.78%	-37.02%	14.71%
CRAR (%)	20.35%	21.93%	23.44%	15.19%	6.89%	20.35%	23.44%	15.19%	21.99%

# Borrowing Profile as on September 30, 2020 vs September 30, 2019

Rs 959.01 bn



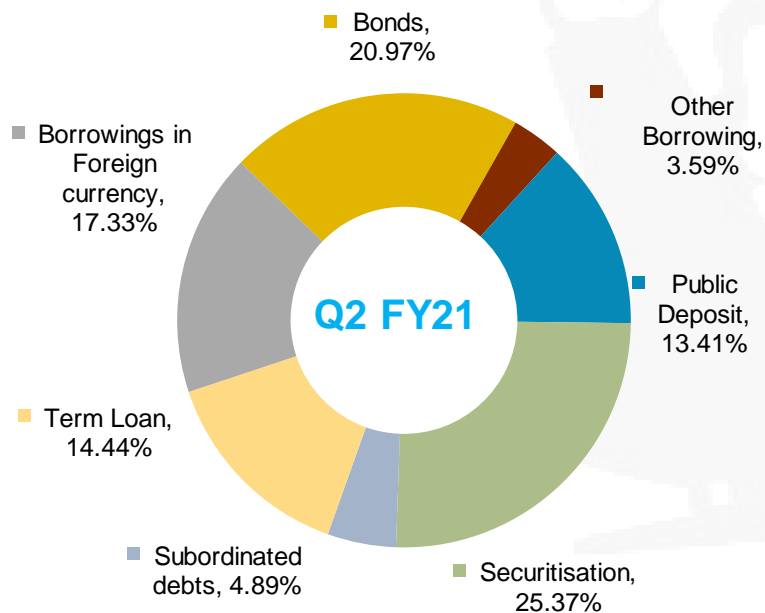
Rs 905.93 bn



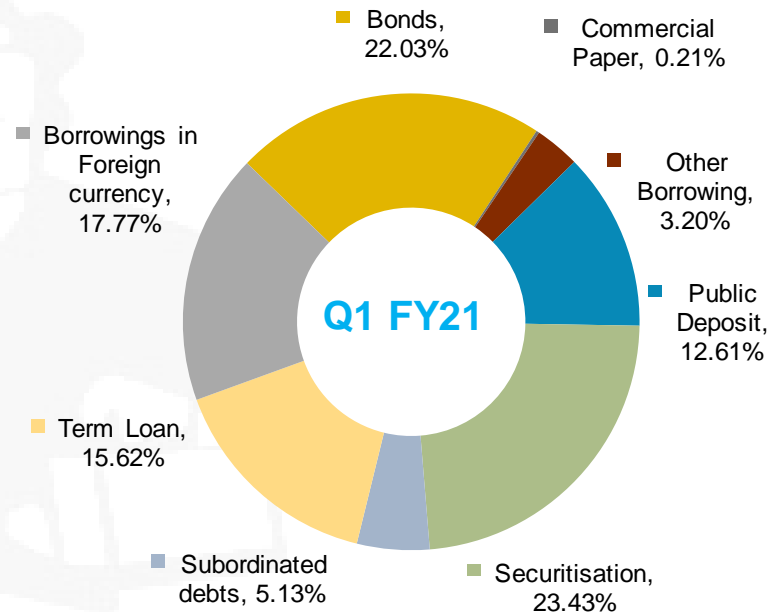


# Borrowing Profile as on September 30, 2020 vs June 30, 2020

Rs 959.01 bn



Rs 952.58 bn



# ALM statement on September 30, 2020

Particulars (Rs. Bn)	One month	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Total Outflows	64.41	28.13	24.21	85.01	183.83	444.93	113.00	259.10	<b>1,202.62</b>
Total Inflows	94.82	35.25	34.03	105.21	189.77	502.42	169.79	49.70	<b>1,180.99</b>
Mismatch	30.41	7.12	9.82	20.20	5.94	57.49	56.79	(209.40)	<b>(21.63)</b>
Cumulative mismatch	30.41	37.53	47.35	67.55	73.49	130.98	187.77	(21.63)	

## About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is one of the largest asset financing NBFCs in India with Assets on Balance sheet of Rs. 113,345.9 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 1,784 branches, and employs 25,893 employees including 20,291 Business team. The company has built a strong customer base of approx. 2.10 mn. Over the past 40 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.

**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



**Thank You**