

**SEC/FILING/BSE-NSE/20-21/68A-B**

**August 13, 2020**

**BSE Limited**  
P. J. Towers,  
Dalal Street, Fort,  
Mumbai – 400 001.  
Scrip Code: 511218

**National Stock Exchange of India Limited**  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot no. C/1, G- Block,  
Bandra-Kurla Complex,  
Mumbai – 400 051.  
NSE Symbol: SRTRANSFIN

Dear Sirs,

Sub.: Investor Update / Presentation

Further to our letter dated 10/08/2020 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, we enclose herewith our Investor Update / Presentation.

Thanking you,  
Yours faithfully,

*For* **SHRIRAM TRANSPORT FINANCE COMPANY LIMITED**



**VIVEK ACHWAL**  
**COMPANY SECRETARY**

Encl.:a/a.



# Shriram Transport Finance Company Ltd

Q1 FY2021 Investor Update

August 13, 2020



# COVID-19 UPDATE

- \* The pandemic is a test of our resolve and fighting spirit.
- \* We are in touch with our borrowers and are helping them restoring their business.
- \* We have serviced all principal and interest payments to Deposit holders, Debenture holders, Banks, Financial Institutions, etc on time.
- \* STFCL, given its 4 decade track record, is expected to manage the slowdown and the gradual recovery in a resilient manner.
- \* The senior management executives have taken a voluntary pay cut in the range of 10% to 20% and no increment for other employees in FY2021.
- \* Hiring freeze till further notice, except for critical positions.
- \* The Company has deferred branch expansion plans .
- \* Minimisation of discretionary expenses.
- \* Minimal staff functioning with alternate day attendance. ~99% branches are fully operational.
- \* Other safety measures: Sanitization of all branches, onfield visit permission, practicing of social distancing, mask wear among employees and Arogya setu app usage as per company's Standard Operating Procedure ("SOP").

- \* Business has picked up in the rural market due to harvest season and subsequent activities of Kharif sowing.
- \* Moratorium to all eligible borrowers in terms of RBI COVID-19 regulatory package.
- \* In spite of the moratorium, the Company has been able to collect from 84 % , 23 % , 52 % , 71 % and 73 % borrowers in the month of March , April , May , June and July 2020 respectively.
- \* The liquidity buffer and SLR investments as on August 12, 2020 was Rs. 9,686.86 crores and Rs. 1,822.09 crores respectively.
- \* STFCL has attracted sizable retail deposits in April 2020 to July 2020 from its long standing depositor base.

The Company has considered an additional Expected Credit Loss ( ECL ) provision on account of COVID – 19 of Rs 956.15 crores during the quarter ended June 30, 2020 and the Company's overall provision of ECL on account of COVID – 19 as on June 30, 2020 stands at Rs. 1,865.79 Crores. 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 – Q1 FY21 vs Q1 FY20 (as per Ind AS)

<b>Total Income</b>	<b>2.82%</b> ↑	Q1 FY21	<b>Rs 41,447.0 mn</b>
		Q1 FY20	Rs 40,311.8 mn
<b>Net Interest Income*</b>	<b>6.51%</b> ↓	Q1 FY21	<b>Rs 18,203.5 mn</b>
		Q1 FY20	Rs 19,470.2 mn
* including Direct assignment Income Rs. 31.2 Mn (Q1 FY20 Rs 110.3 Mn)			
<b>PAT</b>	<b>49.54%</b> ↓	Q1 FY21	<b>Rs 3,200.6 mn</b>
		Q1 FY20	Rs 6,342.5 mn
<b>EPS</b>	<b>49.53%</b> ↓	Q1 FY21	<b>Rs 14.11</b>
		Q1 FY20	Rs 27.96

\* Cost to income ratio at 18.69% in Q1 FY21 as compared to 21.79% in Q1 FY20

# Performance Highlights – Q1 FY21 vs Q1 FY20 (as per Ind AS)

<b>AUM</b>	<b>5.09%</b> ↑	Q1 FY21	<b>Rs 1,117,563.7 mn</b>
		Q1 FY20	Rs 1,063,434.8 mn
<b>Gross Stage 3 assets</b>	<b>0.06%</b> ↑	Q1 FY21	<b>Rs 89,307.5 mn</b>
		Q1 FY20	Rs 89,257.4 mn
<b>Net Stage 3 assets</b>	<b>9.82%</b> ↓	Q1 FY21	<b>Rs 54,878.4 mn</b>
		Q1 FY20	Rs 60,851.7 mn
<b>Book Value</b>	<b>11.41%</b> ↑	Q1 FY21	<b>Rs 799.26</b>
		Q1 FY20	Rs 717.38

\* CRAR at 21.93% as of Q1 FY21 compared to 20.08% as of Q1 FY20.

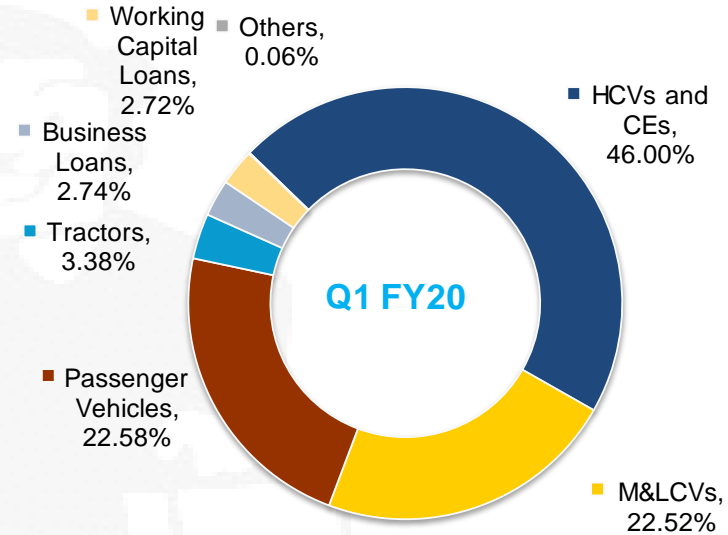
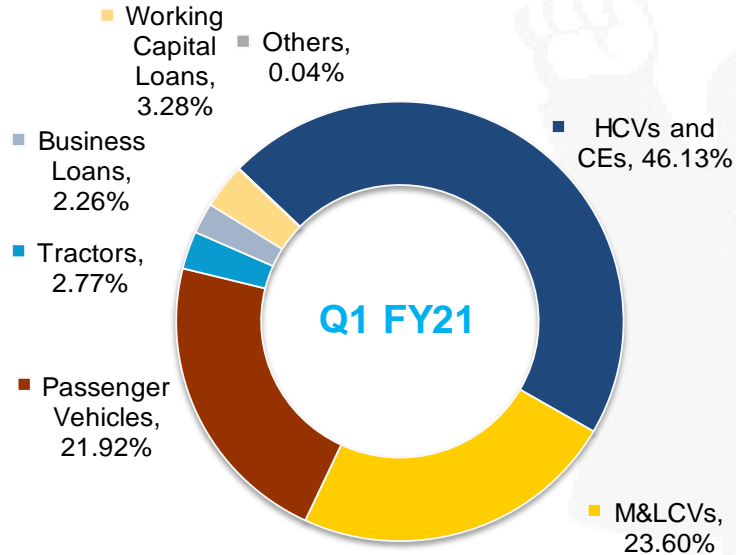


# AUM Break-up (as per Ind AS)

Particulars (Rs. mn)	Q1 FY20	Q4 FY20	Q1 FY21	YoY (%)	QoQ (%)	FY20
<b>Loan Portfolio</b>						
- On Books						
Balance sheet assets	846,514.5	873,971.2	876,987.8	3.60%	0.35%	873,971.2
Securitised assets	197,499.7	211,045.9	228,830.4	15.86%	8.43%	211,045.9
<b>Total On books</b>	<b>1,044,014.2</b>	<b>1,085,017.1</b>	<b>1,105,818.2</b>	<b>5.92%</b>	<b>1.92%</b>	<b>1,085,017.1</b>
- Off Books*	19,420.6	12,475.3	11,745.5	-39.52%	-5.85%	12,475.3
<b>Total AUM</b>	<b>1,063,434.8</b>	<b>1,097,492.4</b>	<b>1,117,563.7</b>	<b>5.09%</b>	<b>1.83%</b>	<b>1,097,492.4</b>
- New	114,504.5	97,951.2	96,561.0	-15.67%	-1.42%	97,951.2
- Used	890,205.4	939,489.5	958,640.0	7.69%	2.04%	939,489.5
- Business Loans	29,120.9	25,649.8	25,217.3	-13.40%	-1.69%	25,649.8
- Working capital loans	28,983.4	33,859.4	36,656.9	26.48%	8.26%	33,859.4
- Others	620.6	542.5	488.5	-21.29%	-9.95%	542.5
<b>Total AUM</b>	<b>1,063,434.8</b>	<b>1,097,492.4</b>	<b>1,117,563.7</b>	<b>5.09%</b>	<b>1.83%</b>	<b>1,097,492.4</b>

\*Off Books pertains to Direct assignment portfolio

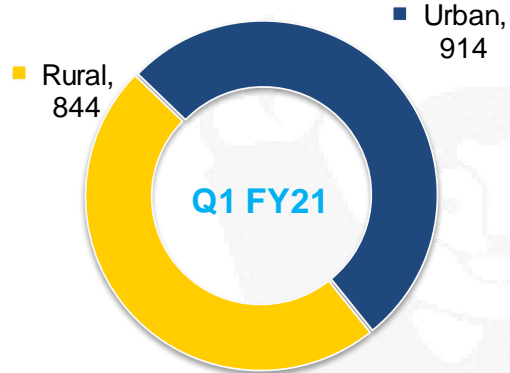
# Segment-wise Break up



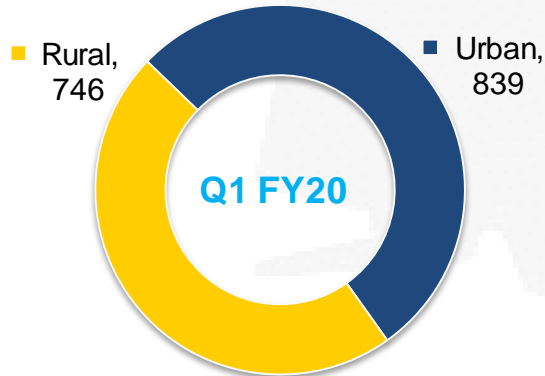
# Branch & AUM distribution – Q1 FY21 vs Q1 FY20

## Branch (Nos)

Total Branch 1,758

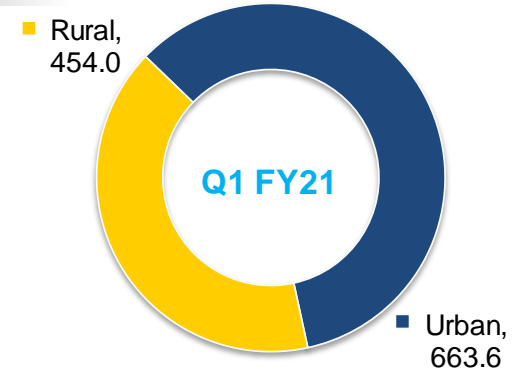


Total Branch 1,585

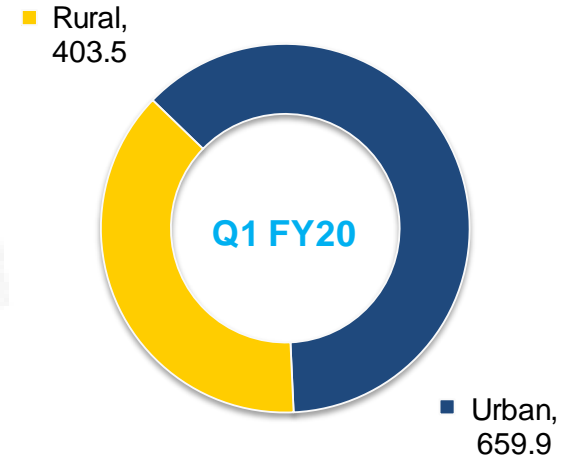


## AUM (Rs in bn)

Total AUM  
Rs 1,117.6 bn



Total AUM  
Rs 1,063.4 bn

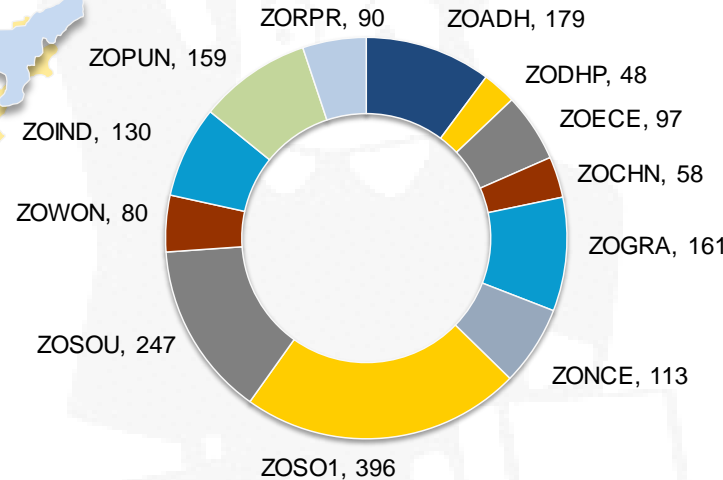


# Provision Analysis

Particulars (Rs. mn)	Q1 FY20	Q4 FY20	Q1 FY21	YoY (%)	QoQ (%)	FY20
Gross Stage 3	89,257.4	91,797.1	89,307.5	0.06%	-2.71%	91,797.1
ECL provision-Stage 3	28,405.7	31,886.5	34,429.1	21.20%	7.97%	31,886.5
Net Stage 3	60,851.7	59,910.6	54,878.4	-9.82%	-8.40%	59,910.6
Gross Stage 3 (%)	8.52%	8.36%	7.98%	-6.24%	-4.49%	8.36%
Net Stage 3 (%)	5.97%	5.62%	5.06%	-15.17%	-9.91%	5.62%
Coverage Ratio (%) Stage 3	31.82%	34.74%	38.55%	21.14%	10.98%	34.74%
Gross Stage 1 & 2	958,894.9	1,006,319.5	1,029,274.7	7.34%	2.28%	1,006,319.5
ECL provision-Stage 1 & 2	27,623.7	31,433.6	38,412.4	39.06%	22.20%	31,433.6
Net Stage 1 & 2	931,271.2	974,885.9	990,862.3	6.40%	1.64%	974,885.9
ECL provision (%) Stage 1 & 2	2.88%	3.12%	3.73%	29.55%	19.48%	3.12%

# 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

**1,758**

Branch Offices

**2.12mn**

Customers

**27,218**

Employees

**21,422**

Business Team

**500**

Private Financiers

**831**

Rural Centres

# P&L Statement

Particulars (Rs. mn)	Q1 FY20	Q4 FY20	Q1 FY21	YoY (%)	QoQ (%)	FY20
Interest income	39,867.5	40,949.1	41,051.7	2.97%	0.25%	162,871.2
Interest expended	20,397.3	21,769.9	22,848.2	12.02%	4.95%	83,703.5
Net interest income	19,470.2	19,179.2	18,203.5	-6.51%	-5.09%	79,167.7
Other Operating Income	282.6	377.3	223.7	-20.84%	-40.71%	1,483.7
<b>Operating income</b>	<b>19,752.8</b>	<b>19,556.5</b>	<b>18,427.2</b>	<b>-6.71%</b>	<b>-5.77%</b>	<b>80,651.4</b>
Operating expenditure	4,468.5	5,165.2	3,636.1	-18.63%	-29.60%	19,679.2
<b>Core operating profit *</b>	<b>15,284.3</b>	<b>14,391.3</b>	<b>14,791.1</b>	<b>-3.23%</b>	<b>2.78%</b>	<b>60,972.2</b>
Other income	143.3	334.3	160.6	12.07%	-51.96%	1,363.3
<b>Operating profit</b>	<b>15,427.6</b>	<b>14,725.6</b>	<b>14,951.7</b>	<b>-3.08%</b>	<b>1.54%</b>	<b>62,335.5</b>
Loan Losses & Provisions	5,611.8	11,286.6	10,645.9	89.71%	-5.68%	27,948.8
<b>Profit before tax</b>	<b>9,815.8</b>	<b>3,439.0</b>	<b>4,305.8</b>	<b>-56.13%</b>	<b>25.21%</b>	<b>34,386.7</b>
Tax Expense	3,473.3	1,205.2	1,105.2	-68.18%	-8.30%	9,368.3
<b>Profit after tax</b>	<b>6,342.5</b>	<b>2,233.8</b>	<b>3,200.6</b>	<b>-49.54%</b>	<b>43.28%</b>	<b>25,018.4</b>
<b>Other comprehensive Income (Net)</b>	<b>-30.1</b>	<b>-8.6</b>	<b>-1,914.5</b>	<b>6260.47%</b>	<b>22161.63%</b>	<b>-47.4</b>
<b>Total Comprehensive Income</b>	<b>6,312.4</b>	<b>2,225.2</b>	<b>1,286.1</b>	<b>-79.63%</b>	<b>-42.20%</b>	<b>24,971.0</b>
<b>EPS (Rs)</b>	<b>27.96</b>	<b>9.85</b>	<b>14.11</b>	<b>-49.53%</b>	<b>43.25%</b>	<b>110.27</b>
<b>Tier I CRAR %</b>	<b>15.88%</b>	<b>18.13%</b>	<b>18.34%</b>	<b>15.50%</b>	<b>1.17%</b>	<b>18.13%</b>
<b>Tier II CRAR %</b>	<b>4.20%</b>	<b>3.86%</b>	<b>3.59%</b>	<b>-14.64%</b>	<b>-7.13%</b>	<b>3.86%</b>
<b>Total CRAR %</b>	<b>20.08%</b>	<b>21.99%</b>	<b>21.93%</b>	<b>9.19%</b>	<b>-0.29%</b>	<b>21.99%</b>
<b>Book Value (Rs)</b>	<b>717.38</b>	<b>793.59</b>	<b>799.26</b>	<b>11.41%</b>	<b>0.71%</b>	<b>793.59</b>

\*Before Provisions & Contingencies

# Balance Sheet

Particulars (Rs. mn)	Jun-19	Mar-20	Jun-20	YoY (%)	QoQ (%)
<b>I. ASSETS</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	31,379.3	30,889.9	32,865.8	4.74%	6.40%
Bank Balance other than above	34,260.2	42,259.3	39,932.7	16.56%	-5.51%
Derivative financial instruments	127.3	7,587.3	5,177.7	3967.32%	-31.76%
Receivables					
(I) Trade Receivables	38.0	105.0	48.0	26.32%	-54.29%
(II) Other Receivables	220.6	56.4	18.5	-91.61%	-67.20%
Loans	988,118.4	1,022,316.3	1,034,011.6	4.64%	1.14%
Investments	26,300.7	27,984.8	28,328.8	7.71%	1.23%
Other Financial assets	480.1	451.5	443.0	-7.73%	-1.88%
<b>Non Financial assets</b>					
Current tax assets (net)	1,065.8	2,491.0	2,491.0	133.72%	0.00%
Deferred tax assets (net)	703.9	625.0	1,452.7	106.38%	132.43%
Investment Property	20.6	20.3	20.2	-1.94%	-0.49%
Property, plant and equipment	1,378.5	1,498.8	1,403.8	1.84%	-6.34%
Right of use assets	3,362.5	3,278.4	3,068.8	-8.73%	-6.39%
Other Intangible assets	17.2	26.7	24.2	40.70%	-9.36%
Other non financial assets	1,483.7	1,695.7	1,839.8	24.00%	8.50%
<b>Total</b>	<b>1,088,956.8</b>	<b>1,141,286.4</b>	<b>1,151,126.6</b>	<b>5.71%</b>	<b>0.86%</b>

# Balance Sheet (Continued)

Particulars (Rs. mn)	Jun-19	Mar-20	Jun-20	YoY (%)	QoQ (%)
<b>II. Liabilities and Equity</b>					
<b>Financial Liabilities</b>					
Derivative financial instruments	1,351.0	-	-	-100.00%	0.00%
Payables	1,678.4	1,449.7	1,129.8	-32.69%	-22.07%
Debt Securities	350,153.1	342,669.6	338,829.9	-3.23%	-1.12%
Borrowings (other than debt security)	383,609.7	424,746.0	444,360.6	15.84%	4.62%
Deposits	110,576.4	119,601.2	120,565.4	9.03%	0.81%
Subordinated Liabilities	61,705.7	56,700.7	48,824.9	-20.87%	-13.89%
Other Financial liabilities	8,054.8	9,123.2	9,244.5	14.77%	1.33%
Lease liabilities	3,577.1	3,628.1	3,454.5	-3.43%	-4.78%
<b>Non-financial Liabilities</b>					
Current tax liabilities (net)	1,784.5	1,020.2	1,536.5	-13.90%	50.61%
Provisions	3,344.3	1,463.3	1,543.8	-53.84%	5.50%
Other non-financial liabilities	361.3	832.8	299.0	-17.24%	-64.10%
<b>Equity</b>					
Equity share capital	2,268.8	2,268.8	2,268.8	0.00%	0.00%
Other equity	160,491.7	177,782.8	179,068.9	11.58%	0.72%
<b>Total</b>	<b>1,088,956.8</b>	<b>1,141,286.4</b>	<b>1,151,126.6</b>	<b>5.71%</b>	<b>0.86%</b>



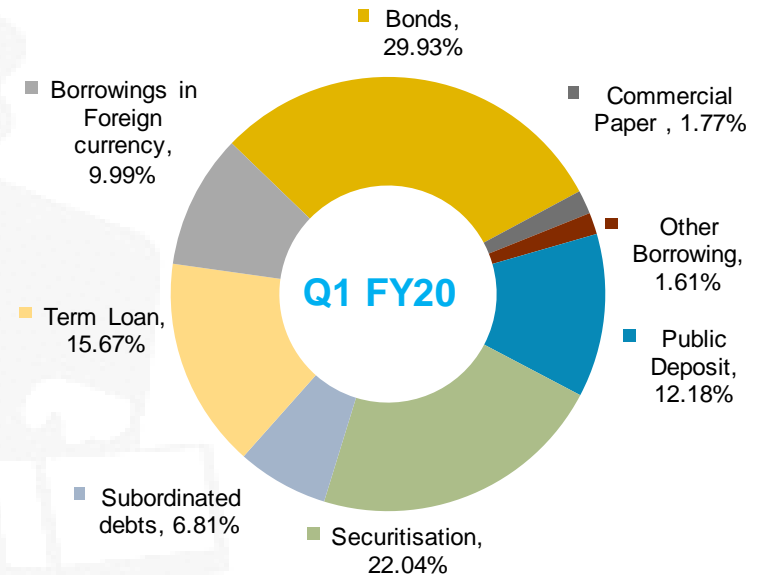
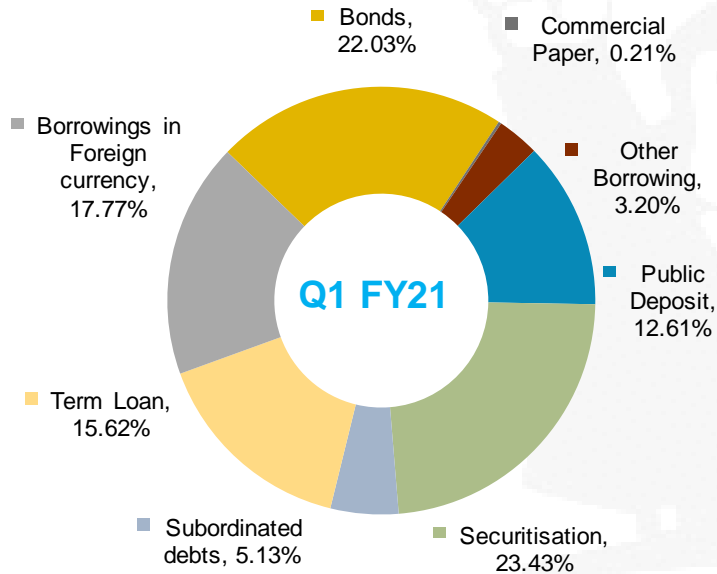
# Key Metrics – Q1 FY21

P&L Metrics (Rs. mn)	Q1 FY20	Q4 FY20	Q1 FY21	YoY (%)	QoQ (%)	FY20
Interest Income	39,867.5	40,949.1	41,051.7	2.97%	0.25%	162,871.2
Less: Interest Expenses	20,397.3	21,769.9	22,848.2	12.02%	4.95%	83,703.5
<b>Net Interest Income</b>	<b>19,470.2</b>	<b>19,179.2</b>	<b>18,203.5</b>	<b>-6.51%</b>	<b>-5.09%</b>	<b>79,167.7</b>
Other Income	425.9	711.6	384.3	-9.77%	-45.99%	2,847.0
<b>Profit After Tax</b>	<b>6,342.5</b>	<b>2,233.8</b>	<b>3,200.6</b>	<b>-49.54%</b>	<b>43.28%</b>	<b>25,018.4</b>
EPS (Rs.)	27.96	9.85	14.11	-49.53%	43.25%	110.27
Cost to income Ratio (%)	21.79%	25.47%	18.69%	-14.24%	-26.61%	23.32%
NIM (on AUM)	7.16%	6.76%	6.42%	-10.29%	-4.92%	7.06%
Balance Sheet Metrics (Rs. mn)	Q1 FY20	Q4 FY20	Q1 FY21	YoY (%)	QoQ (%)	FY20
Networth	162,484.1	179,775.2	181,061.3	11.43%	0.72%	179,775.2
Book Value (Rs.)	717.38	793.59	799.26	11.41%	0.71%	793.59
Interest Coverage (x)	1.97	1.90	1.80	-8.63%	-5.26%	1.97
ROA (%)	2.26%	0.76%	1.06%	-53.13%	39.86%	2.17%
ROE (%)	15.80%	4.99%	7.09%	-55.16%	41.89%	14.71%
CRAR (%)	20.08%	21.99%	21.93%	9.19%	-0.29%	21.99%

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

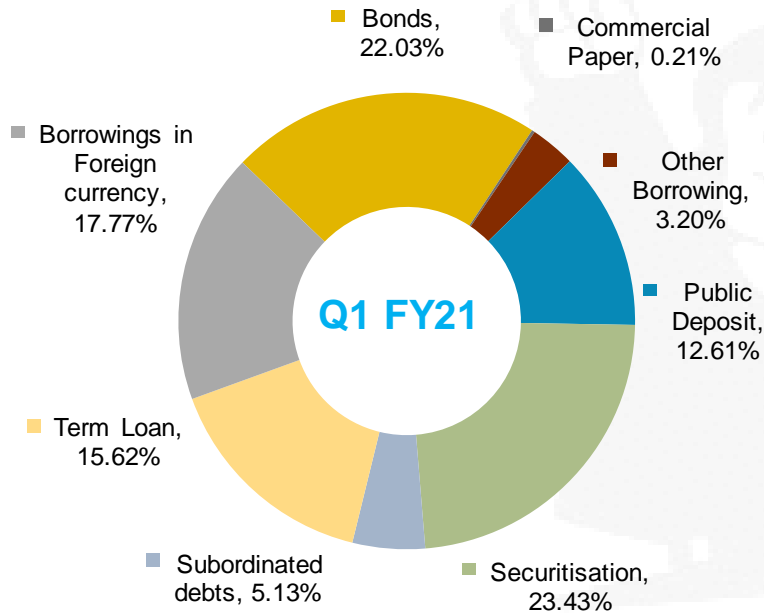
Rs 952.58 bn

Rs 906.05 bn

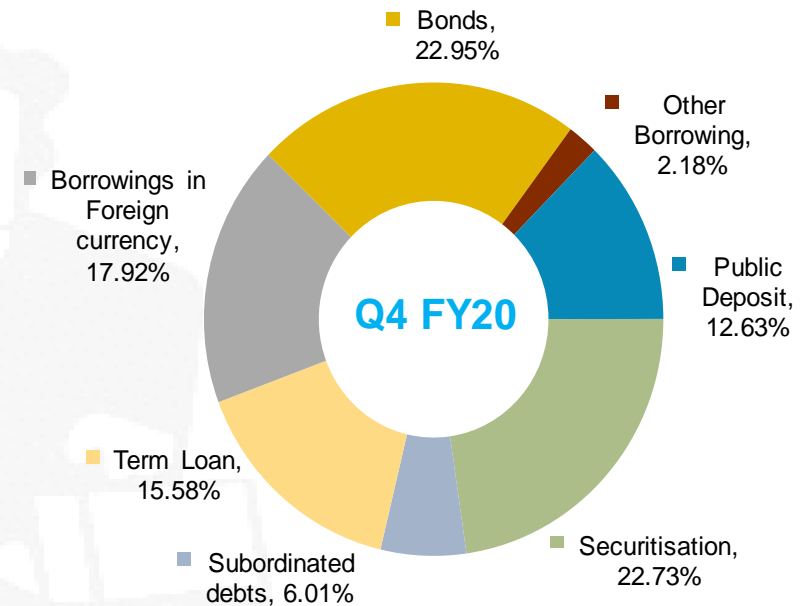


# Borrowing Profile as on June 30, 2020 vs March 31, 2020

Rs 952.58 bn



Rs 943.72 bn

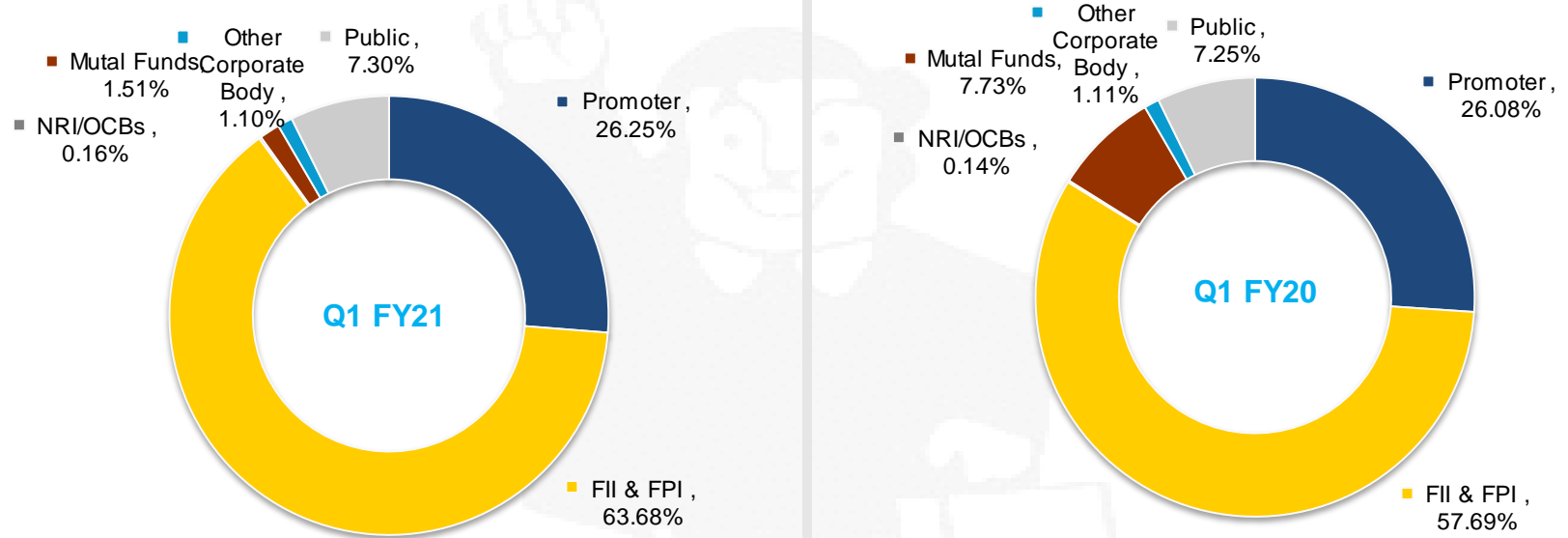


## ALM statement on June 30, 2020

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	47.90	27.38	20.88	61.06	163.25	426.64	190.67	221.30	<b>1,159.07</b>
Total Inflows	58.42	29.46	38.96	86.86	180.52	480.98	235.30	42.75	<b>1,153.25</b>
Mismatch	10.53	2.08	18.08	25.81	17.27	54.35	44.63	(178.56)	<b>(5.82)</b>
Cumulative mismatch	10.53	12.60	30.69	56.49	73.76	128.11	172.74	(5.82)	

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

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 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	59.50	26.23
Fidelity Investment Trust Fidelity Series Emerging Markets	11.55	5.09
Sanlam Life Insurance Limited	6.76	2.98
Government Pension Fund Global	4.96	2.19
T. Rowe Price International Growth and Income Fund	3.91	1.72
T. Rowe Price New Asia Fund	2.94	1.30
Vanguard Total International Stock Index Fund	2.87	1.27
Composite Capital Master Fund LP	2.84	1.25
Fidelity Funds - India Focus Fund	2.76	1.22
Invesco Perpetual Various Funds	2.48	1.09
Public & Others	126.31	55.66
<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 one of the largest asset financing NBFC in India with Assets on Balance sheet of Rs. 111,756.4 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 1,758 branches, and employs 27,218 employees including 21,422 Business team. The company has built a strong customer base of approx. 2.12 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.





A WINNING RELATIONSHIP

Thank You