

SEC/FILING/BSE-NSE/15-16/68A-B

January 30, 2016

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

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th 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 dt. 22/01/2016 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**



PARAG SHARMA
Executive Director & CFO

Shriram Transport Finance Company Limited

Corporate Office: Wockhardt Towers, Level – 3, West Wing, C-2, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400 051. Tel: +91 22 4095 9595 | Fax: +91 22 4095 9597.

Registered Office: Mookambika Complex, 3rd Floor, No.4, Lady Desika Road, Mylapore, Chennai – 600 004, Tamil Nadu, India. Tel: +91 44 2499 0356 | Fax: +91 44 2499 3272.

Website: www.stfc.in | Corporate Identity Number (CIN) – L65191TN1979PLC007874.



Shriram Transport Finance Company Ltd

Q3 & 9M FY16 Investor Update

January 30, 2016

Performance Highlights – Q3 FY16

Total Income	15.6% ↑	Q3 FY16	Rs 25,483.3 mn
		Q3 FY15	Rs 22,052.0 mn
Net Interest Income*	24.0% ↑	Q3 FY16	Rs 13,002.4 mn
		Q3 FY15	Rs 10,483.7 mn
PAT	20.0% ↑	Q3 FY16	Rs 3,750.7 mn
		Q3 FY15	Rs 3,124.5 mn
EPS	20.1% ↑	Q3 FY16	Rs 16.54
		Q3 FY15	Rs 13.77

- * Cost to income at 23.17% in Q3 FY16 as compared to 23.48% in Q3 FY15
- * Employee strength at 17,398, including 10,604 field executives from 16,608 in Q2 FY16

* including Securitisation Income

Performance Highlights – 9M FY16

Total Income	15.7% ↑	9M FY16	Rs 73,272.4 mn
		9M FY15	Rs 63,324.0 mn
Net Interest Income*	19.5% ↑	9M FY16	Rs 36,287.6 mn
		9M FY15	Rs 30,363.7 mn
PAT	12.3% ↑	9M FY16	Rs 10,342.8 mn
		9M FY15	Rs 9,210.8 mn
EPS	12.3% ↑	9M FY16	Rs 45.59
		9M FY15	Rs 40.60

* Cost to income at 23.40% in 9M FY16 as compared to 22.85% in 9M FY15

* including Securitisation Income

Performance Highlights – Q3 FY16

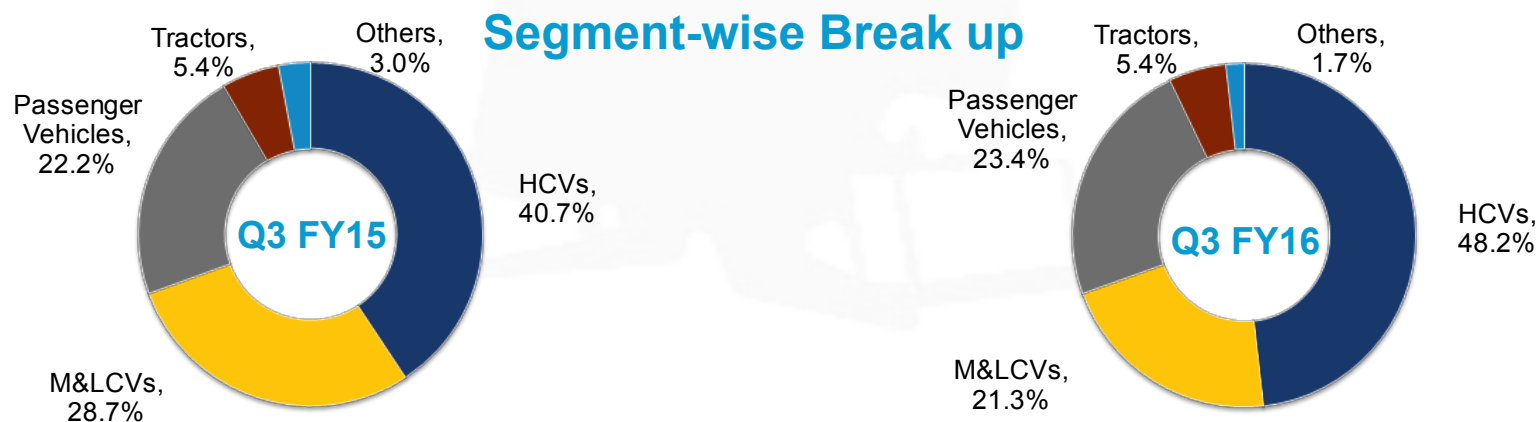
AUM	16.6% ↑	Q3 FY16	Rs 6,65,383.5 mn
		Q3 FY15	Rs 5,70,835.2 mn
GNPA	42.5% ↑	Q3 FY16	Rs 25,357.3 mn
		Q3 FY15	Rs 17,797.3 mn
NNPA	41.0% ↑	Q3 FY16	Rs 5,022.8 mn
		Q3 FY15	Rs 3,561.2 mn
Book Value	12.1% ↑	Q3 FY16	Rs 446.8
		Q3 FY15	Rs 398.6

* Coverage ratio at 80.19% in Q3 FY16 as compared to 79.99% in Q3 FY15

* CRAR at 18.47% at the end of Q3 FY16 as compared to 21.07% at the end of Q3 FY15

AUM Break-up

Particulars (Rs. mn)	Q3 FY15	Q1 FY16	Q2 FY16	Q3 FY16	YoY (%)	QoQ (%)	9M FY15	9M FY16	YoY (%)	FY15
- On Books	490,064.7	517,727.0	550,877.4	583,926.6	19.15%	6.00%	490,064.7	583,926.6	19.15%	492,271.4
- Off Books	80,770.5	87,590.2	81,652.3	81,456.9	0.85%	-0.24%	80,770.5	81,456.9	0.85%	98,811.4
Total AUM	570,835.2	605,317.2	632,529.7	665,383.5	16.56%	5.19%	570,835.2	665,383.5	16.56%	591,082.8
- New	47,845.0	46,834.2	49,425.5	55,435.1	15.86%	12.16%	47,845.0	55,435.1	15.86%	46,801.6
- Used	516,148.1	558,122.1	582,743.7	609,462.3	18.08%	4.58%	516,148.1	609,462.3	18.08%	537,420.9
- Others	6,842.1	360.9	360.5	486.1	-92.90%	34.84%	6,842.1	486.1	-92.90%	6,860.3
Total AUM	570,835.2	605,317.2	632,529.7	665,383.5	16.56%	5.19%	570,835.2	665,383.5	16.56%	591,082.8



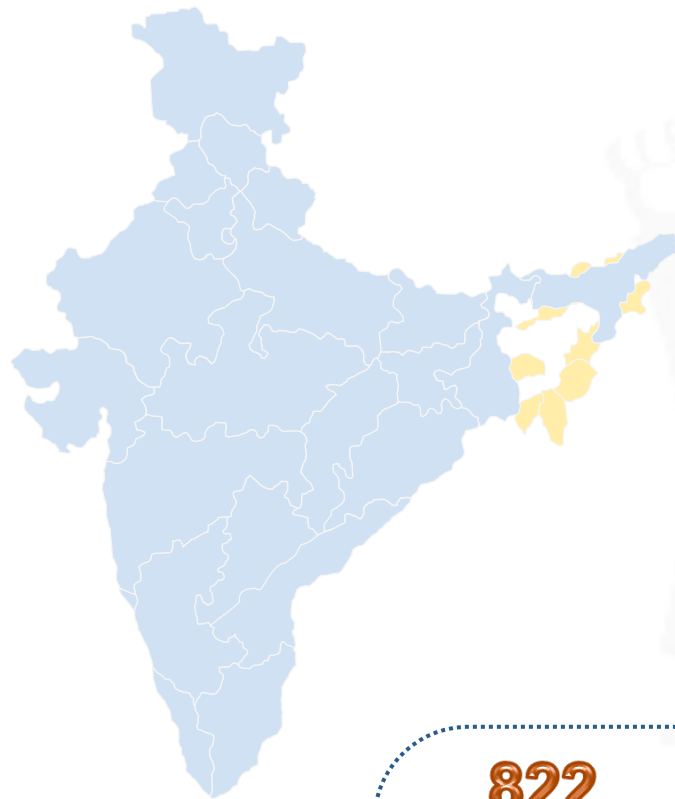
NPA Analysis



Particulars (Rs. mn)	Q3 FY15	Q1 FY16	Q2 FY16	Q3 FY16	YoY (%)	QoQ (%)	9M FY15	9M FY16	YoY (%)	FY15
Gross NPA	17,797.3	21,303.9	23,385.9	25,357.3	42.48%	8.43%	17,797.3	25,357.3	42.48%	18,941.4
Net NPA	3,561.2	4,578.5	5,029.3	5,022.8	41.04%	-0.13%	3,561.2	5,022.8	41.04%	3,791.2
Gross NPA (%)	3.59%	4.07%	4.18%	4.29%	19.50%	2.63%	3.59%	4.29%	19.50%	3.80%
Net NPA (%)	0.74%	0.90%	0.93%	0.88%	18.92%	-5.38%	0.74%	0.88%	18.92%	0.79%
Coverage Ratio (%)	79.99%	78.51%	78.49%	80.19%	0.25%	2.17%	79.99%	80.19%	0.25%	79.98%

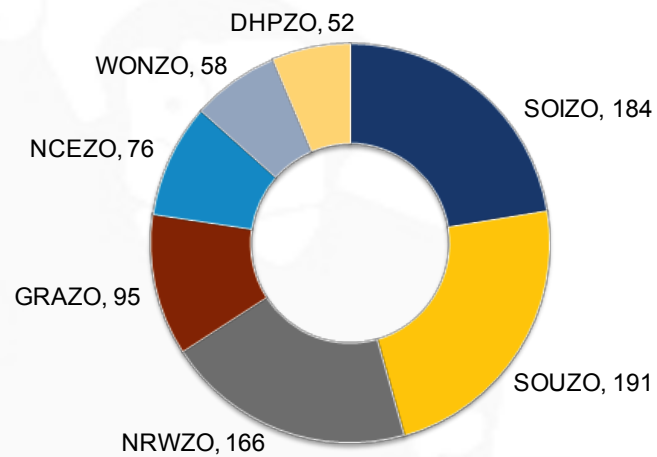
- * Currently recognizing NPLs on a 180 dpd basis
- * To transition to 150 dpd NPL recognition from Q4 FY16
- * Provision Coverage Ratio (PCR) on 180 dpd NPL recognition maintained at ~80% over the last few years owing to challenging macroeconomic environment over the last 2-3 years

Well-entrenched Pan India Network



■ Branch Network

Regional Split of Branches



ABBREVEATIONS

SOIZO	TAMILNADU KERALA ZONE
SOUZO	ANDHRAPRADESH TELANGANA KARNATAKA ZONE
NRWZO	MAHARASTRA MP CG ZONE
GRAZO	GUJARATH AND RAJASTHAN ZONE
NCEZO	UTTARPRADESH UK BJ ZONE
WONZO	WB ORISSA NORTH EAST ZONE
DHPZO	DELHI HARYANA PUNJAB HP JK ZONE

822

Branch
Offices

1.3mn

Customers

10,604

Field Officers

500

Private
Financiers

779

Rural
Centres

P&L Statement



Particulars (Rs. mn)	Q3 FY15	Q1 FY16	Q2 FY16	Q3 FY16	YoY (%)	QoQ (%)	9M FY15	9M FY16	YoY (%)	FY15
Interest Income	20,537.6	22,014.5	22,402.0	23,675.1	15.28%	5.68%	56,415.3	68,091.6	20.70%	77,779.0
Interest expended	11,350.7	11,971.6	12,058.9	12,239.4	7.83%	1.50%	32,142.8	36,269.9	12.84%	44,028.7
Net Interest Income	9,186.9	10,042.9	10,343.1	11,435.7	24.48%	10.56%	24,272.5	31,821.7	31.10%	33,750.3
Income from Securitisation	1,397.2	1,506.9	1,651.0	1,815.2	29.92%	9.95%	6,243.8	4,973.1	-20.35%	7,696.1
Less : Securitisation expenses	100.4	193.7	65.0	248.5	147.51%	282.31%	152.6	507.2	232.37%	102.2
Income from Securitisation (Net)	1,296.8	1,313.2	1,586.0	1,566.7	20.81%	-1.22%	6,091.2	4,465.9	-26.68%	7,593.9
Net Interest Income (incl. Sec)	10,483.7	11,356.1	11,929.1	13,002.4	24.02%	9.00%	30,363.7	36,287.6	19.51%	41,344.2
Other fee based income	17.1	16.5	24.9	22.9	33.92%	-8.03%	37.8	64.3	70.11%	59.2
Operating Income	10,500.8	11,372.6	11,954.0	13,025.3	24.04%	8.96%	30,401.5	36,351.9	19.57%	41,403.4
Operating expenditure	2,701.7	2,905.3	3,001.1	3,286.8	21.66%	9.52%	7,791.5	9,193.2	17.99%	10,782.6
Core Operating Profit *	7,799.1	8,467.3	8,952.9	9,738.5	24.87%	8.77%	22,610.0	27,158.7	20.12%	30,620.8
Other Income	143.3	145.9	186.1	170.0	18.63%	-8.65%	537.4	502.0	-6.59%	694.8
Operating Profit	7,942.4	8,613.2	9,139.0	9,908.5	24.75%	8.42%	23,147.4	27,660.7	19.50%	31,315.6
Provisions for Bad Debts	3,123.0	3,767.5	3,914.3	4,122.8	32.01%	5.33%	9,214.1	11,804.6	28.11%	12,593.5
Provisions against Standard Assets	115.4	55.6	82.3	76.1	-34.06%	-7.53%	291.2	214.0	-26.51%	298.2
PBT	4,704.0	4,790.1	5,142.4	5,709.6	21.38%	11.03%	13,642.1	15,642.1	14.66%	18,423.9
Tax	1,579.5	1,579.0	1,761.4	1,958.9	24.02%	11.21%	4,431.3	5,299.3	19.59%	6,045.8
PAT	3,124.5	3,211.1	3,381.0	3,750.7	20.04%	10.93%	9,210.8	10,342.8	12.29%	12,378.1
EPS (Rs)	13.77	14.15	14.90	16.54	20.12%	11.01%	40.60	45.59	12.29%	54.56
Tier I CRAR %	16.49%	16.37%	15.75%	15.37%	-6.79%	-2.41%	16.49%	15.37%	-6.79%	16.40%
Tier II CRAR %	4.58%	3.68%	3.44%	3.10%	-32.31%	-9.88%	4.58%	3.10%	-32.31%	4.12%
Total CRAR %	21.07%	20.05%	19.19%	18.47%	-12.34%	-3.75%	21.07%	18.47%	-12.34%	20.52%
Book Value (Rs)	398.57	419.87	434.91	446.78	12.10%	2.73%	398.57	446.78	12.10%	405.54

*Before Provisions & Contingencies

Balance Sheet



Particulars (Rs. mn)	31-Dec-14	30-Jun-15	30-Sep-15	31-Dec-15	31-Mar-15
Liabilities					
<u>Shareholder funds</u>					
(a) Share capital	2,269.1	2,269.1	2,269.1	2,269.1	2,269.1
(b) Reserves and surplus	88,576.7	93,321.7	96,697.8	99,356.2	90,110.6
<u>Non-current liabilities</u>					
(a) Long-term borrowings	296,139.0	311,027.0	308,460.6	302,352.8	315,707.6
(b) Other Long term liabilities	7,904.0	9,764.7	9,843.3	10,262.1	9,713.4
(c) Long term provisions	14,989.0	17,482.9	19,175.0	21,227.1	15,865.0
<u>Current liabilities</u>					
(a) Short-term borrowings	55,292.3	24,018.4	27,128.4	35,821.3	26,614.1
(b) Trade payables	9,965.7	12,309.0	12,125.3	12,960.0	11,596.9
(c) Other current liabilities	104,345.6	130,114.8	142,499.3	165,693.4	117,416.4
(d) Short-term provisions	2,486.7	5,376.3	3,546.2	3,142.4	3,978.4
Total	581,968.1	605,683.9	621,745.0	653,084.4	593,271.5
Assets					
<u>Non-current assets</u>					
(a) Fixed assets					
(i) Tangible assets	975.1	966.5	972.0	979.7	994.5
(ii) Intangible assets	13.3	20.7	18.3	16.0	12.8
(b) Non-current investments	10,387.2	13,136.8	14,717.5	15,547.4	11,142.6
(c) Deferred tax assets (net)	2,580.1	2,719.4	2,777.6	2,890.1	2,564.8
(d) Long term loans and advances	301,710.3	326,811.8	352,983.3	384,755.0	308,228.7
(e) Other non-current assets	331.2	257.1	214.5	167.7	931.1
<u>Current assets</u>					
(a) Current investments	11,147.9	2,955.0	8,629.9	7,071.0	22,129.2
(b) Cash and bank balances	53,345.0	52,204.4	27,188.5	21,823.6	47,234.0
(c) Short-term loans and advances	200,695.1	205,905.9	213,544.8	219,112.1	199,409.4
(d) Other current assets	782.9	706.3	698.6	721.8	624.4
Total	581,968.1	605,683.9	621,745.0	653,084.4	593,271.5

Key Metrics – Q3 FY16



P&L Metrics (Rs. mn)	Q3 FY15	Q1 FY16	Q2 FY16	Q3 FY16	YoY (%)	QoQ (%)	9M FY15	9M FY16	YoY (%)	FY15
Interest Income	20,537.6	22,014.5	22,402.0	23,675.1	15.28%	5.68%	56,415.3	68,091.6	20.70%	77,779.0
Securitisation Income	1,296.8	1,313.2	1,586.0	1,566.7	20.81%	-1.22%	6,091.2	4,465.9	-26.68%	7,593.9
Total Interest Income	21,834.4	23,327.7	23,988.0	25,241.8	15.61%	5.23%	62,506.5	72,557.5	16.08%	85,372.9
Less: Interest Expenses	11,350.7	11,971.6	12,058.9	12,239.4	7.83%	1.50%	32,142.8	36,269.9	12.84%	44,028.7
Net Interest Income	10,483.7	11,356.1	11,929.1	13,002.4	24.02%	9.00%	30,363.7	36,287.6	19.51%	41,344.2
Other Income	160.4	162.4	211.0	192.9	20.26%	-8.58%	575.2	566.3	-1.55%	754.0
Profit After Tax	3,124.5	3,211.1	3,381.0	3,750.7	20.04%	10.93%	9,210.8	10,342.8	12.29%	12,378.1
EPS (Rs.)	13.77	14.15	14.90	16.54	20.12%	11.01%	40.60	45.59	12.29%	54.56
Cost to income Ratio (%)	23.48%	23.77%	23.32%	23.17%	-1.32%	-0.64%	22.85%	23.40%	2.41%	23.34%
NIM (on AUM)	6.64%	6.76%	7.03%	7.47%	12.50%	6.26%	6.59%	7.06%	7.13%	6.61%

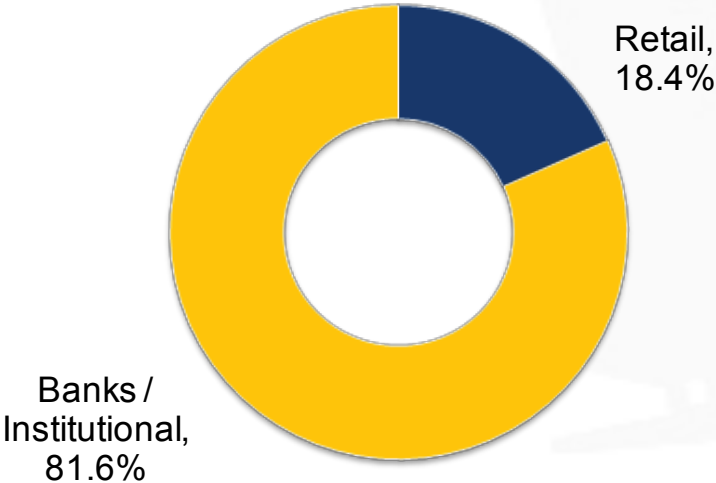
Key Metrics – Q3 FY16



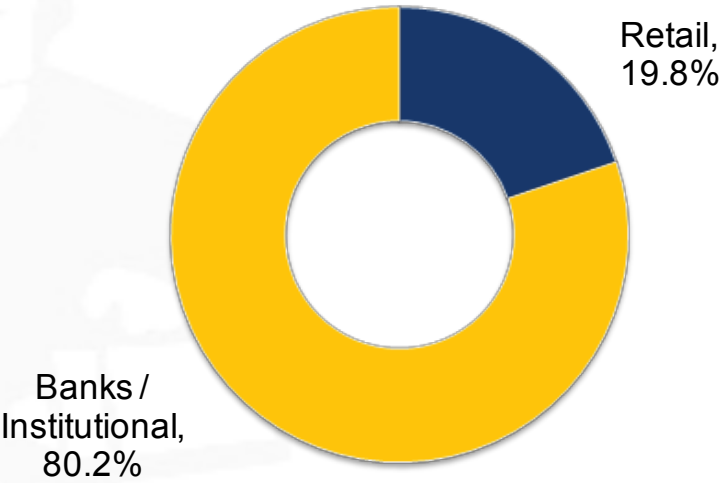
Balance Sheet Metrics (Rs. mn)	Q3 FY15	Q1 FY16	Q2 FY16	Q3 FY16	YoY (%)	QoQ (%)	9M FY15	9M FY16	YoY (%)	FY15
Networth	90,427.7	95,261.2	98,672.7	101,366.5	12.10%	2.73%	90,427.7	101,366.5	12.10%	92,010.7
Book Value	398.57	419.87	434.91	446.78	12.10%	2.73%	398.57	446.78	12.10%	405.54
Securitisation done	0	8,262	15,617	19,840	0.00%	27.04%	6,970	43,718	527.23%	44,814
Interest Coverage Ratio (%)	1.95%	1.98%	2.01%	2.10%	7.69%	4.48%	1.97%	2.03%	3.05%	1.96%
ROA (%)	2.22%	2.14%	2.19%	2.34%	5.41%	6.85%	2.32%	2.23%	-3.88%	2.28%
ROE (%)	13.91%	13.67%	13.90%	14.96%	7.55%	7.63%	14.10%	14.19%	0.64%	14.03%
CRAR (%)	21.07%	20.05%	19.19%	18.47%	-12.34%	-3.75%	21.07%	18.47%	-12.34%	20.52%

Borrowing Profile

Q3 FY15 – Rs 438.3 bn

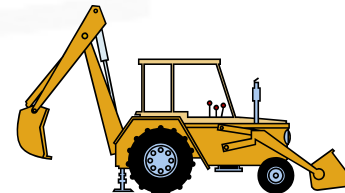
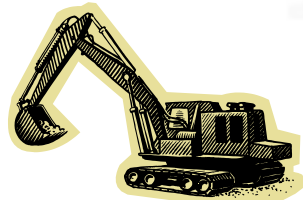


Q3 FY16 – Rs 479.8 bn



Update on Construction Equipment Business

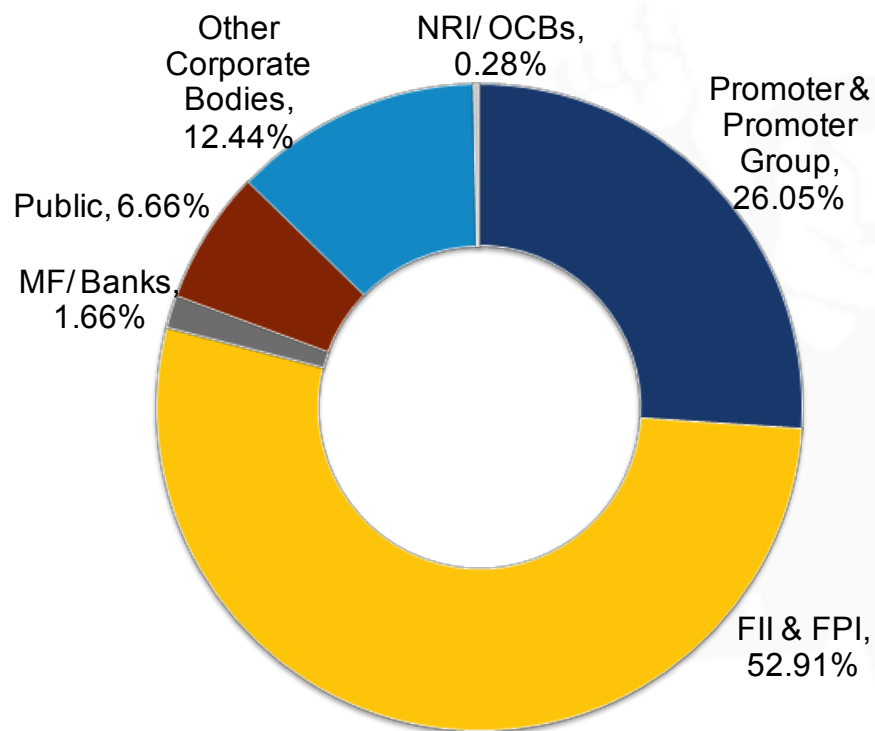
- * **AUM at the end of Q3 FY16 at 3.27% of total consolidated AUM**
- * **Initiatives to restore asset quality working well**
 - Monthly collection run-rate improving
 - Strong connect with customers maintained
 - Core team involvement in collection process
 - Confident of working with customers to recover dues once business cycle picks up
- * **Remains attractive opportunity in the long run**
 - Changing industry dynamics leading to re-evaluation of strategy in near term
 - Potential to be key engine of growth in the medium-to-long term
 - Strategic value in terms of diversifying revenue stream and improving risk profile
- * **Detailed reporting temporarily discontinued due to process of merger / regulatory procedure**



Shareholding Pattern as on December 31, 2015



No. of shares outstanding: 226.88mn



Key Shareholders	Current Shareholding (Mn Shares)	% age
Shriram Capital	59.10	26.05
Piramal Enterprises Limited	22.60	9.96
Sanlam Life Insurance Limited	6.76	2.98
Smallcap World Fund, Inc	4.93	2.17
Centaura Investments (Mauritius) Pte Ltd	4.49	1.98
Government of Singapore	3.97	1.75
Stichting Depository Apg Emerging Markets Equity Pool	3.94	1.74
New World Fund Inc	3.31	1.46
Vanguard Emerging Markets Stock Index Fund	2.79	1.23
Kuwait Investment Authority	2.60	1.15
Public & Others	112.39	49.53
Total	226.88	100.00

Contact Us



**For any Investor Relations
queries please contact**

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About Us



About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with Assets on Balance sheet of Rs. 58,392.66 crores and off Balance sheet assets of Rs. 8,145.69 crores. The company is a leader in organized financing of pre-owned trucks with strategic presence in 5-12 year old trucks. It has a pan-India presence with a network of 822 branches, and employs 17,398 employees including 10,604 field officers. The company has built a strong customer base of approx. 1.30 mn. Over the past 36 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