

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

February 03, 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, 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 dated 28/01/2020 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 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 FY20 Investor Update

February 03, 2020

Performance Highlights – Q3 FY20 vs Q3 FY19

Total Income	7.38 % ↑	Q3 FY20 Q3 FY19	Rs 42,882.0 mn Rs 39,934.0 mn
Net Interest Income*	1.36 % ↑	Q3 FY20 Q3 FY19	Rs 20,554.2 mn Rs 20,278.7 mn
* including Direct assignment Income Rs. -16.4 Mn (Q3 FY19 Rs. 11.5 Mn)			
PAT	38.35% ↑	Q3 FY20 Q3 FY19	Rs 8,791.6 mn Rs 6,354.5 mn
EPS	38.29% ↑	Q3 FY20 Q3 FY19	Rs 38.75 Rs 28.02

Performance Highlights – 9M FY20 vs 9M FY19

Total Income	7.69 % ↑	9M FY20	Rs 125,696.7 mn
		9M FY19	Rs 116,724.6 mn

Net Interest Income*	2.58 % ↑	9M FY20	Rs 60,539.2 mn
		9M FY19	Rs 59,016.8 mn

* including Direct assignment Income Rs. 132.7 Mn
(9M FY19 Rs. 2.79 Mn)

PAT	25.33% ↑	9M FY20	Rs 22,784.6 mn
		9M FY19	Rs 18,179.3 mn

EPS	25.33% ↑	9M FY20	Rs 100.43
		9M FY19	Rs 80.13

Performance Highlights – Q3 FY20 vs Q3 FY19

AUM	4.93% ↑	Q3 FY20	Rs 1,089,313.8 mn
		Q3 FY19	Rs 1,038,179.4 mn
Gross Stage 3 assets	3.98% ↑	Q3 FY20	Rs 93,923.5 mn
		Q3 FY19	Rs 90,325.2 mn
Net Stage 3 assets	9.05% ↑	Q3 FY20	Rs 63,747.6 mn
		Q3 FY19	Rs 58,458.9 mn
Book Value	17.84% ↑	Q3 FY20	Rs 783.78
		Q3 FY19	Rs 665.10

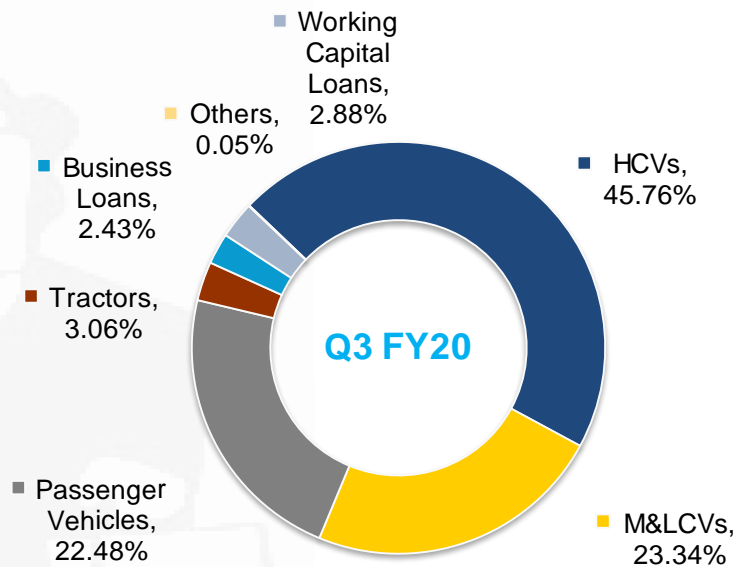
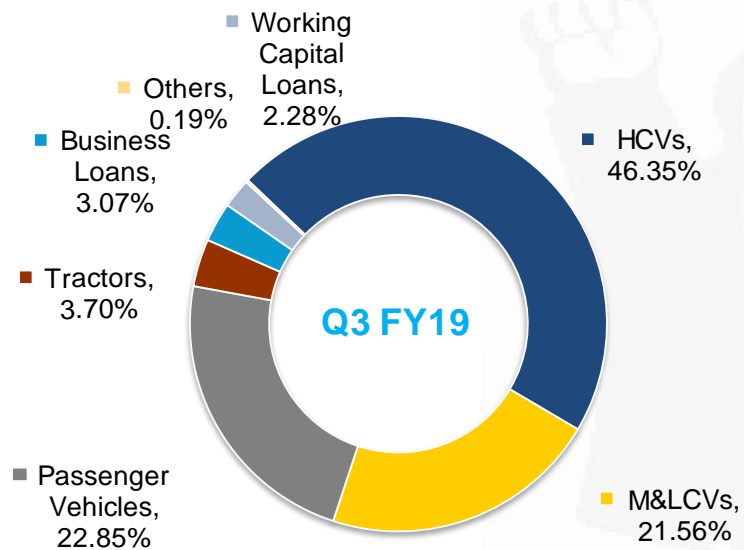
* CRAR at 20.68% as of Q3 FY20 compared to 19.72% as of Q3 FY19.

AUM Break-up

Particulars (Rs. mn)	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YoY (%)	QoQ (%)	9M FY19	9M FY20	YoY (%)	FY19
Loan Portfolio										
- On Books										
Balance sheet assets	845,331.8	846,514.5	847,722.0	856,784.9	1.35%	1.07%	845,331.8	856,784.9	1.35%	850,847.3
Securitized assets	175,633.3	197,499.7	216,911.7	218,045.1	24.15%	0.52%	175,633.3	218,045.1	24.15%	172,227.7
Total On books	1,020,965.1	1,044,014.2	1,064,633.7	1,074,830.0	5.28%	0.96%	1,020,965.1	1,074,830.0	5.28%	1,023,075.0
- Off Books*	17,214.3	19,420.6	16,568.7	14,483.8	-15.86%	-12.58%	17,214.3	14,483.8	-15.86%	21,747.9
Total AUM	1,038,179.4	1,063,434.8	1,081,202.4	1,089,313.8	4.93%	0.75%	1,038,179.4	1,089,313.8	4.93%	1,044,822.9
- New	120,768.3	114,504.5	109,666.6	104,651.3	-13.35%	-4.57%	120,768.3	104,651.3	-13.35%	115,940.8
- Used	861,261.0	890,205.4	912,146.4	926,255.2	7.55%	1.55%	861,261.0	926,255.2	7.55%	870,499.7
- Business Loans	31,822.5	29,120.9	28,521.4	26,495.0	-16.74%	-7.10%	31,822.5	26,495.0	-16.74%	29,710.3
- Working capital loans	23,649.7	28,983.4	30,267.6	31,420.9	32.86%	3.81%	23,649.7	31,420.9	32.86%	28,073.1
- Others	677.9	620.6	600.4	491.4	-27.51%	-18.15%	677.9	491.4	-27.51%	599.0
Total AUM	1,038,179.4	1,063,434.8	1,081,202.4	1,089,313.8	4.93%	0.75%	1,038,179.4	1,089,313.8	4.93%	1,044,822.9

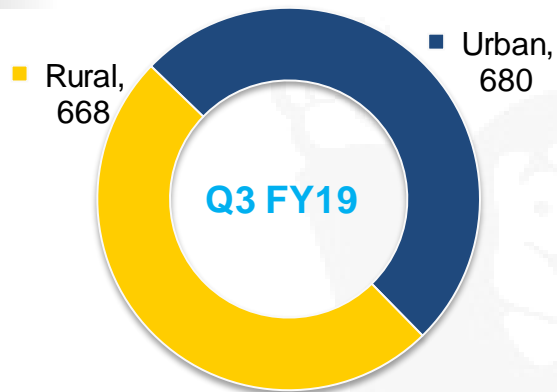
*Off Books pertains to Direct assignment portfolio

Segment-wise AUM Break up

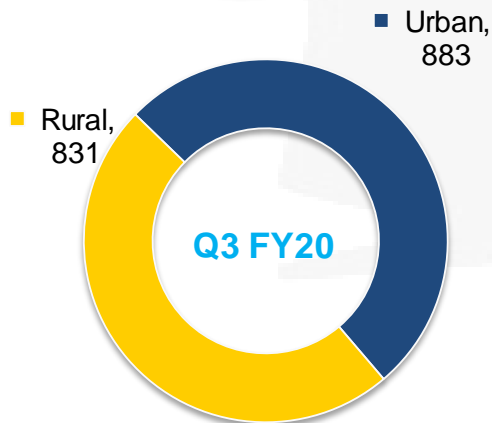


Branch & AUM distribution – Q3 FY20 vs Q3 FY19

Branch (Nos)

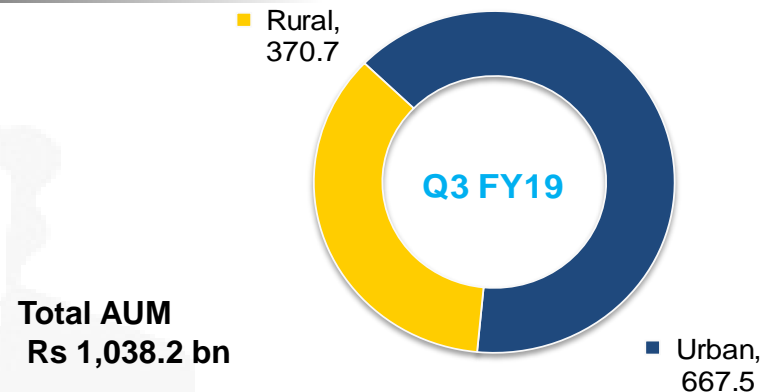


Total Branch
1,348

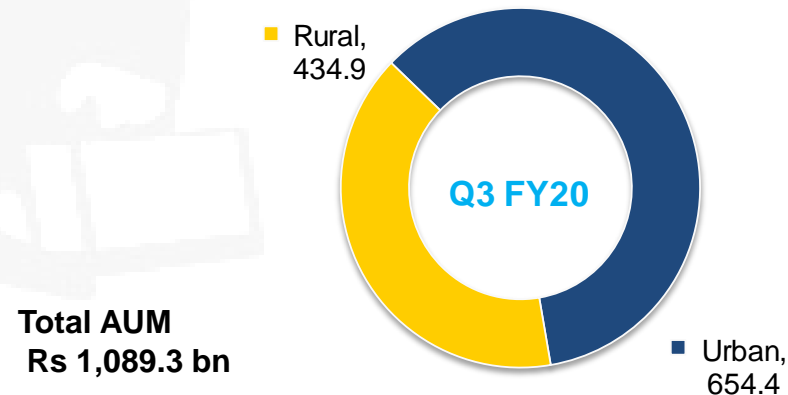


Total Branch
1,714

AUM (Rs in bn)



Total AUM
Rs 1,038.2 bn

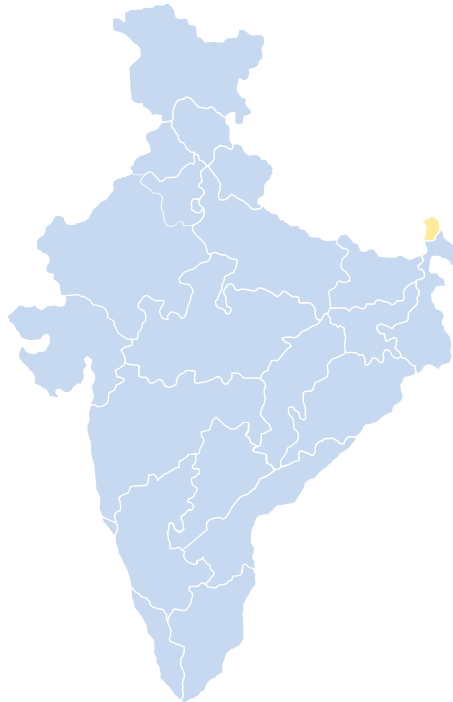


Total AUM
Rs 1,089.3 bn

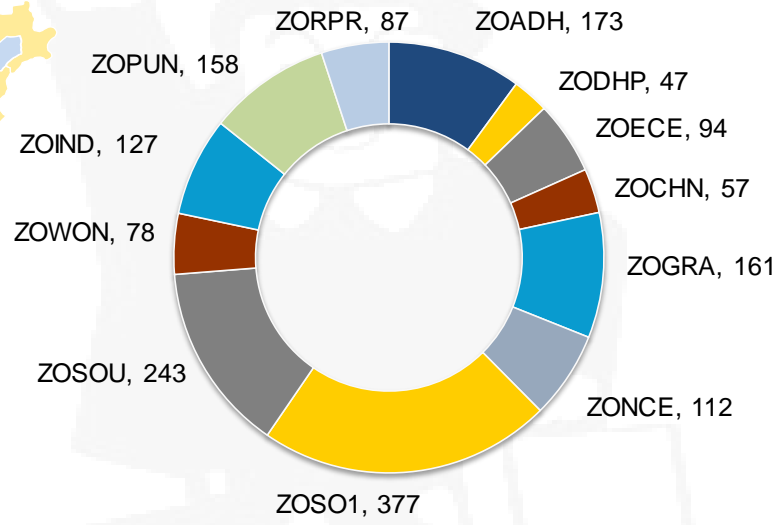
Provision Analysis

Particulars (Rs. mn)	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YoY (%)	QoQ (%)	9M FY19	9M FY20	YoY (%)	FY19
Gross Stage 3	90,325.2	89,257.4	93,965.6	93,923.5	3.98%	-0.04%	90,325.2	93,923.5	3.98%	86,222.7
ECL provision-Stage 3	31,866.3	28,405.7	30,165.4	30,175.9	-5.30%	0.03%	31,866.3	30,175.9	-5.30%	29,670.0
Net Stage 3	58,458.9	60,851.7	63,800.2	63,747.6	9.05%	-0.08%	58,458.9	63,747.6	9.05%	56,552.7
Gross Stage 3 (%)	8.78%	8.52%	8.80%	8.71%	-0.71%	-0.95%	8.78%	8.71%	-0.72%	8.37%
Net Stage 3 (%)	5.86%	5.97%	6.15%	6.09%	3.80%	-1.01%	5.86%	6.09%	3.80%	5.65%
Coverage Ratio (%) Stage 3	35.28%	31.82%	32.10%	32.13%	-8.93%	0.08%	35.28%	32.13%	-8.93%	34.41%
Gross Stage 1 & 2	938,749.6	958,894.9	974,057.2	983,849.9	4.80%	1.01%	938,749.6	983,853.2	4.80%	943,584.7
ECL provision-Stage 1 & 2	26,511.3	27,623.7	27,664.6	26,794.4	1.07%	-3.15%	26,511.3	26,794.4	1.07%	26,037.0
Net Stage 1 & 2	912,238.3	931,271.2	946,392.6	957,055.5	4.91%	1.13%	912,238.3	957,058.9	4.91%	917,547.7
ECL provision (%) Stage 1 & 2	2.82%	2.88%	2.84%	2.72%	-3.57%	-4.11%	2.82%	2.72%	-3.57%	2.76%

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

1,714

Branch Offices

2.07mn

Customers

28,364

Employees

22,531

Business Team

500

Private Financiers

843

Rural Centres

Branch Network

P&L Statement

Particulars (Rs. mn)	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YoY (%)	QoQ (%)	9M FY19	9M FY20	YoY (%)	FY19
Interest income	39,691.2	40,014.6	41,128.6	41,329.5	4.13%	0.49%	115,991.8	122,472.7	5.59%	154,441.4
Interest expended	19,412.5	20,397.2	20,761.0	20,775.3	7.02%	0.07%	56,975.0	61,933.5	8.70%	76,366.0
Net interest income	20,278.7	19,617.4	20,367.6	20,554.2	1.36%	0.92%	59,016.8	60,539.2	2.58%	78,075.4
Other Operating Income	67.4	131.5	192.1	224.7	233.38%	16.97%	168.3	548.3	225.79%	241.8
Operating income	20,346.1	19,748.9	20,559.7	20,778.9	2.13%	1.07%	59,185.1	61,087.5	3.21%	78,317.2
Operating expenditure	4,328.4	4,464.5	4,926.0	5,116.1	18.20%	3.86%	13,192.7	14,506.5	9.96%	17,480.7
Core operating profit *	16,017.7	15,284.4	15,633.7	15,662.8	-2.22%	0.19%	45,992.4	46,581.0	1.28%	60,836.5
Other income	183.8	143.2	241.5	644.3	250.54%	166.79%	492.3	1,028.9	109.00%	768.8
Operating profit	16,201.5	15,427.6	15,875.2	16,307.1	0.65%	2.72%	46,484.7	47,609.9	2.42%	61,605.3
Loan Losses & Provisions	6,362.1	5,611.8	6,606.5	4,443.9	-30.15%	-32.73%	18,424.6	16,662.2	-9.57%	23,822.6
Profit before tax	9,839.4	9,815.8	9,268.7	11,863.2	20.57%	27.99%	28,060.1	30,947.7	10.29%	37,782.7
Tax Expense	3,484.9	3,473.3	1,618.2	3,071.6	-11.86%	89.82%	9,880.8	8,163.1	-17.38%	12,142.8
Profit after tax	6,354.5	6,342.5	7,650.5	8,791.6	38.35%	14.92%	18,179.3	22,784.6	25.33%	25,639.9
Other comprehensive Income (Net)	-12.6	-30.1	-14.2	5.5	-143.65%	-138.73%	-25.1	-38.8	54.58%	-23.2
Total Comprehensive Income	6,341.9	6,312.4	7,636.3	8,797.1	38.71%	15.20%	18,154.2	22,745.8	25.29%	25,616.7
EPS (Rs)	28.02	27.96	33.72	38.75	38.29%	14.92%	80.13	100.43	25.33%	113.01
Tier I CRAR %	14.96%	15.88%	16.31%	16.82%	12.43%	3.13%	14.96%	16.82%	12.43%	15.62%
Tier II CRAR %	4.76%	4.20%	4.04%	3.86%	-18.91%	-4.46%	4.76%	3.86%	-18.91%	4.65%
Total CRAR %	19.72%	20.08%	20.35%	20.68%	4.87%	1.62%	19.72%	20.68%	4.87%	20.27%
Book Value (Rs)	665.10	717.38	751.04	783.78	17.84%	4.36%	665.10	783.78	17.84%	697.99

*Before Provisions & Contingencies

Balance Sheet

Particulars (Rs. mn)	Dec-18	Jun-19	Sep-19	Dec-19	YoY (%)	QoQ (%)	Mar-19
I. ASSETS							
Financial Assets							
Cash and cash equivalents	20,596.5	31,379.3	7,564.7	9,653.1	-53.13%	27.61%	10,291.4
Bank Balance other than above	36,526.8	34,260.2	38,038.2	40,396.0	10.59%	6.20%	29,523.3
Derivative financial instruments	27,949.2	127.3	1,718.4	2,455.6	-91.21%	42.90%	217.2
Receivables							
(I) Trade Receivables	57.4	38.0	116.2	181.4	216.03%	56.11%	84.8
(II) Other Receivables	200.1	220.5	29.9	28.0	-86.01%	-6.35%	199.4
Loans	962,813.6	988,118.4	1,006,913.7	1,017,956.9	5.73%	1.10%	967,514.9
Investments	34,508.4	26,300.7	27,573.8	28,229.2	-18.20%	2.38%	39,990.7
Other Financial assets	365.6	433.9	397.5	401.9	9.93%	1.11%	417.6
Non Financial assets							
Current tax assets (net)	840.6	1,065.8	3,815.6	2,009.6	139.07%	-47.33%	1,065.8
Deferred tax assets (net)	773.0	703.9	311.3	177.6	-77.02%	-42.95%	757.0
Investment Property	20.6	20.6	20.5	20.5	-0.49%	0.00%	20.6
Property, plant and equipment	1,270.2	1,378.5	1,464.4	1,466.1	15.42%	0.12%	1,434.6
Right of use assets	-	3,457.6	3,461.2	3,427.2	-	-0.98%	-
Other Intangible assets	21.2	17.2	21.9	21.0	-0.94%	-4.11%	19.7
Other non financial assets	1,610.1	1,434.9	1,504.5	1,512.8	-6.04%	0.55%	1,387.8
Total	1,087,553.3	1,088,956.8	1,092,951.8	1,107,936.9	1.87%	1.37%	1,052,924.8

Balance Sheet (Continued)

Particulars (Rs. mn)	Dec-18	Jun-19	Sep-19	Dec-19	YoY (%)	QoQ (%)	Mar-19
II. Liabilities and Equity							
Financial Liabilities							
Derivative financial instruments	27,612.0	1,351.0	225.0	-	-100.00%	-100.00%	834.2
Trade Payables	2,542.6	1,304.1	1,779.0	1,159.0	-54.42%	-34.85%	2,036.3
Debt Securities	351,994.9	350,153.1	310,771.1	306,524.4	-12.92%	-1.37%	341,817.6
Borrowings (other than debt security)	381,914.4	383,609.7	419,483.1	428,217.9	12.12%	2.08%	371,893.0
Deposits	96,706.0	110,576.4	114,504.5	120,277.2	24.37%	5.04%	103,414.6
Subordinated Liabilities	64,846.7	61,705.7	61,174.9	60,143.2	-7.25%	-1.69%	62,018.8
Other Financial liabilities	4,792.6	6,329.1	6,098.7	5,299.5	10.58%	-13.10%	7,313.0
Lease liabilities	-	3,577.1	3,640.6	3,665.2	-	0.68%	-
Non-financial Liabilities							
Current tax liabilities (net)	2,132.2	1,784.5	1,024.8	1,024.8	-51.94%	0.00%	1,029.7
Provisions	1,522.4	3,344.3	1,411.8	1,401.4	-7.95%	-0.74%	1,332.6
Other non-financial liabilities	2,589.2	2,461.3	2,441.5	2,397.9	-7.39%	-1.79%	2,872.2
Equity							
Equity share capital	2,269.0	2,268.8	2,268.8	2,268.8	-0.01%	0.00%	2,269.0
Other equity	148,631.3	160,491.7	168,128.0	175,557.6	18.12%	4.42%	156,093.8
Total	1,087,553.3	1,088,956.8	1,092,951.8	1,107,936.9	1.87%	1.37%	1,052,924.8

Key Metrics – Q3 FY20

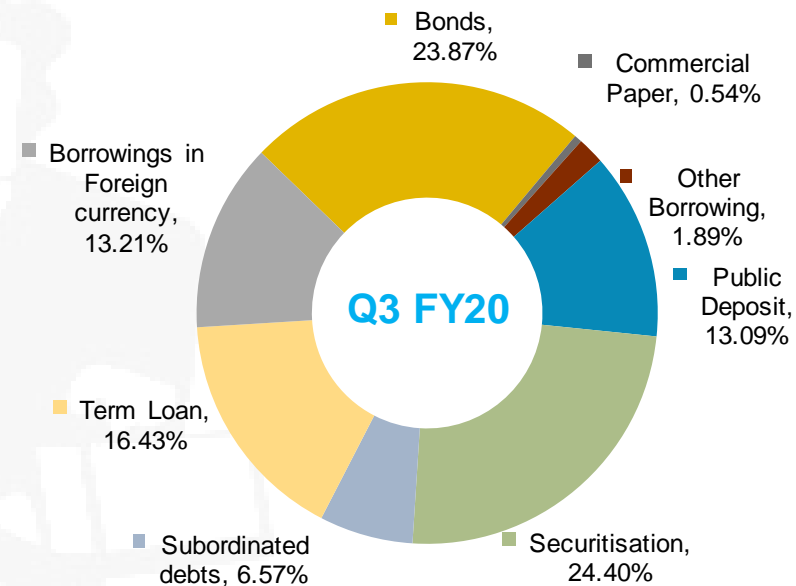
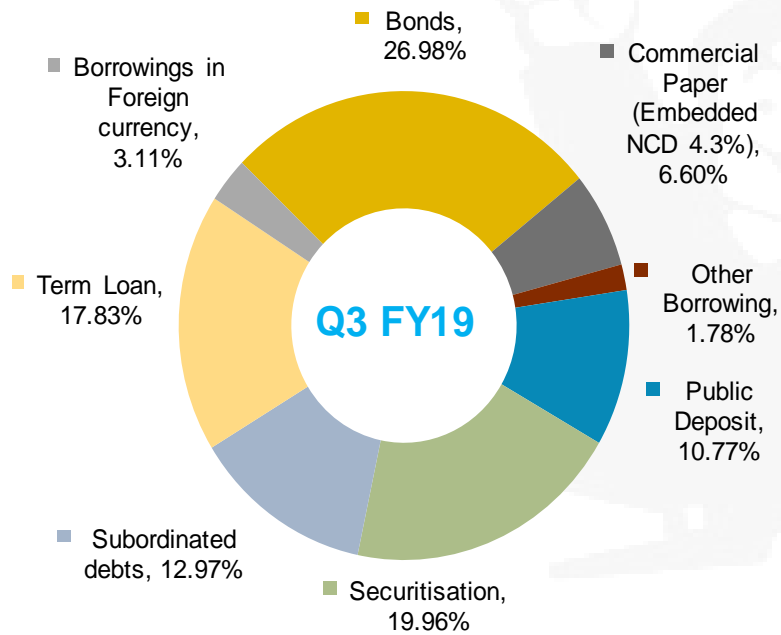
P&L Metrics (Rs. mn)	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YoY (%)	QoQ (%)	9M FY19	9M FY20	YoY (%)	FY19
Interest Income	39,691.2	40,014.6	41,128.6	41,329.5	4.13%	0.49%	115,991.8	122,472.7	5.59%	154,441.4
Less: Interest Expenses	19,412.5	20,397.2	20,761.0	20,775.3	7.02%	0.07%	56,975.0	61,933.5	8.70%	76,366.0
Net Interest Income	20,278.7	19,617.4	20,367.6	20,554.2	1.36%	0.92%	59,016.8	60,539.2	2.58%	78,075.4
Other Income	251.2	274.7	433.6	869.0	245.94%	100.42%	660.6	1,577.2	138.75%	1,010.6
Profit After Tax	6,354.5	6,342.5	7,650.5	8,791.6	38.35%	14.92%	18,179.3	22,784.6	25.33%	25,639.9
EPS (Rs.)	28.02	27.96	33.72	38.75	38.29%	14.92%	80.13	100.43	25.33%	113.01
Cost to income Ratio (%)	20.37%	21.78%	23.16%	22.88%	12.32%	-1.21%	21.52%	22.62%	5.11%	21.49%
NIM (on AUM)	7.44%	7.16%	7.19%	7.14%	-4.03%	-0.70%	7.47%	7.16%	-4.15%	7.41%

Balance Sheet Metrics (Rs. mn)	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YoY (%)	QoQ (%)	9M FY19	9M FY20	YoY (%)	FY19
Networth	150,624.1	162,484.1	170,120.4	177,550.0	17.88%	4.37%	150,624.1	177,550.0	17.88%	158,086.6
Book Value (Rs.)	665.10	717.38	751.04	783.78	17.84%	4.36%	665.10	783.78	17.84%	697.99
Interest Coverage (x)	2.05	1.97	1.99	2.02	-1.46%	1.51%	2.04	1.99	-2.45%	2.03
ROA (%)	2.24%	2.26%	2.67%	3.05%	36.16%	14.23%	2.22%	2.66%	19.82%	2.33%
ROE (%)	17.13%	15.80%	18.37%	20.20%	17.92%	9.96%	16.88%	18.18%	7.70%	17.52%
CRAR (%)	19.72%	20.08%	20.35%	20.68%	4.87%	1.62%	19.72%	20.68%	4.87%	20.27%

Borrowing Profile as on December 31, 2019 vs December 31, 2018

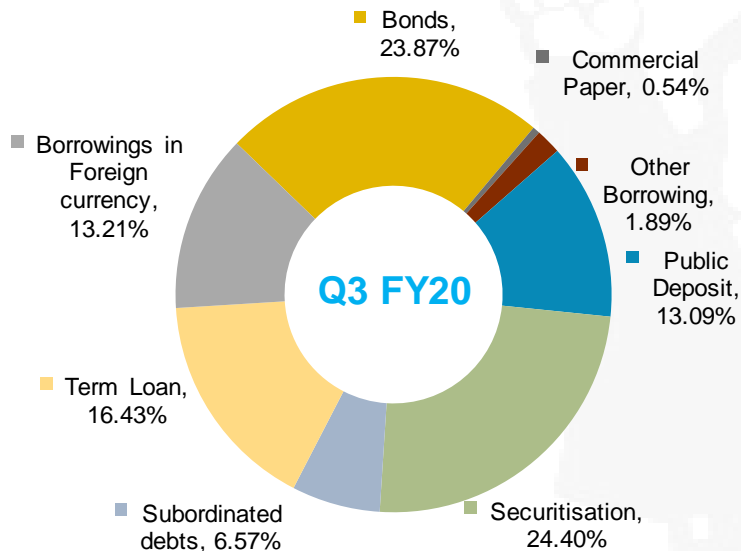
Rs 895.46 bn

Rs 915.16 bn

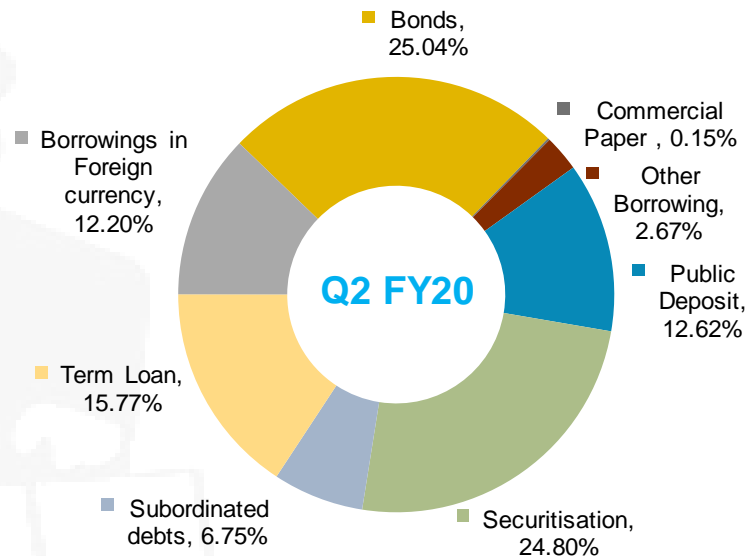


Borrowing Profile as on December 31, 2019 vs September 30, 2019

Rs 915.16 bn

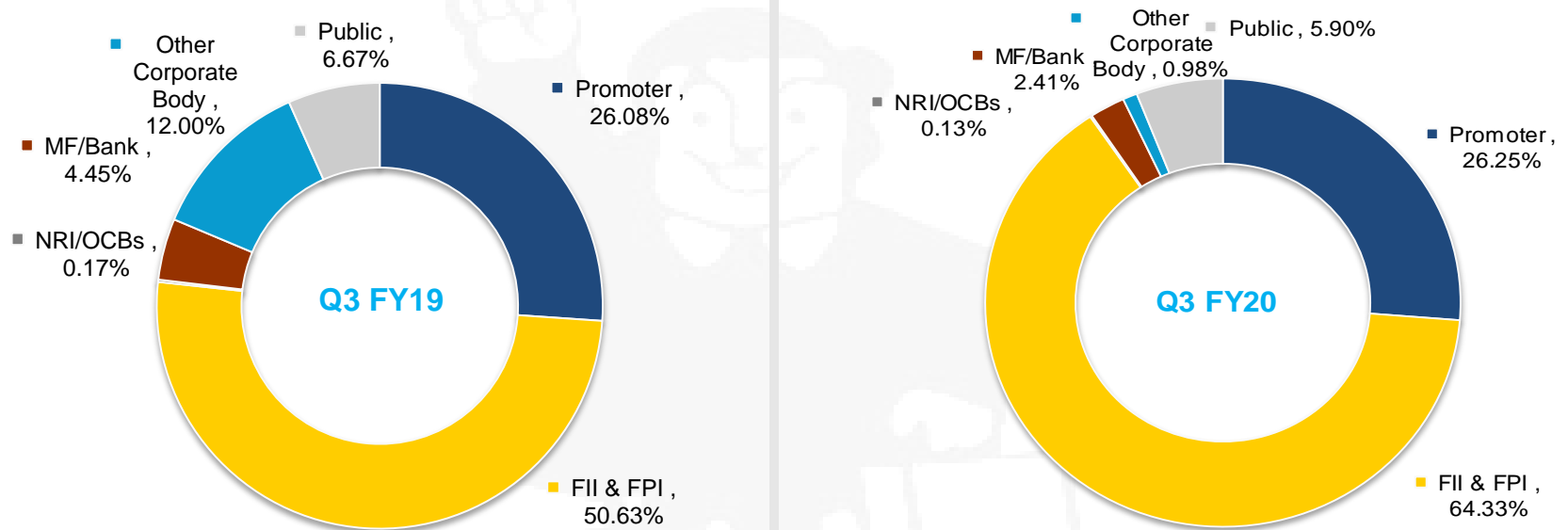


Rs 905.93 bn



Shareholding Pattern as on December 31, 2019 vs December 31, 2018

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	59.50	26.23
Sanlam Life Insurance Limited	6.76	2.98
Fidelity Investment Trust Fidelity Series Emerging Markets	5.05	2.23
Government Pension Fund Global	4.96	2.19
Investec Global Strategy Fund - Asian Equity Fund	3.52	1.55
T. Rowe Price New Asia Fund	3.41	1.50
MFS Emerging Markets Equity Fund	3.18	1.40
Generation IM Fund PLC - Generation IM Asia Fund	3.16	1.39
Government of Singapore	3.10	1.37
Abu Dhabi Investment Authority	3.07	1.35
Public & Others	131.17	57.81
Total	226.88	100.00

**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 in India with Assets under management Rs. 108,931.38 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 1,714 branches, and employs 28,364 employees including 22,531 in the Business Team. The company has built a strong customer base of approx. 2.07 mn. Over the past 40 years, it has developed robust 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.



A WINNING RELATIONSHIP

Thank You