



Shriram Transport Finance Company Ltd

Corporate Presentation

June 2022

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Company Overview



Business Model/Competitive Strengths



Market Dynamics & Growth Strategy



Organizational Structure



Performance Track Record



Recent Performance – Q1 FY23



COMPANY OVERVIEW



Company Snapshot



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

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

Over **2.15 mn** customers

Large network of **1,854** Branch offices and **770** rural centres

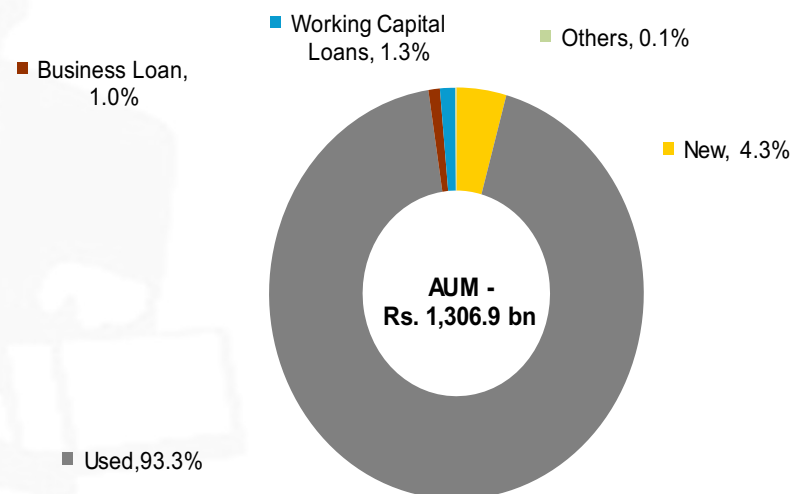
Tie up with over **500** Private Financiers

25,720 Employees including **19,739** Business Team

Market Capitalization of **~ Rs. 343.29 billion**

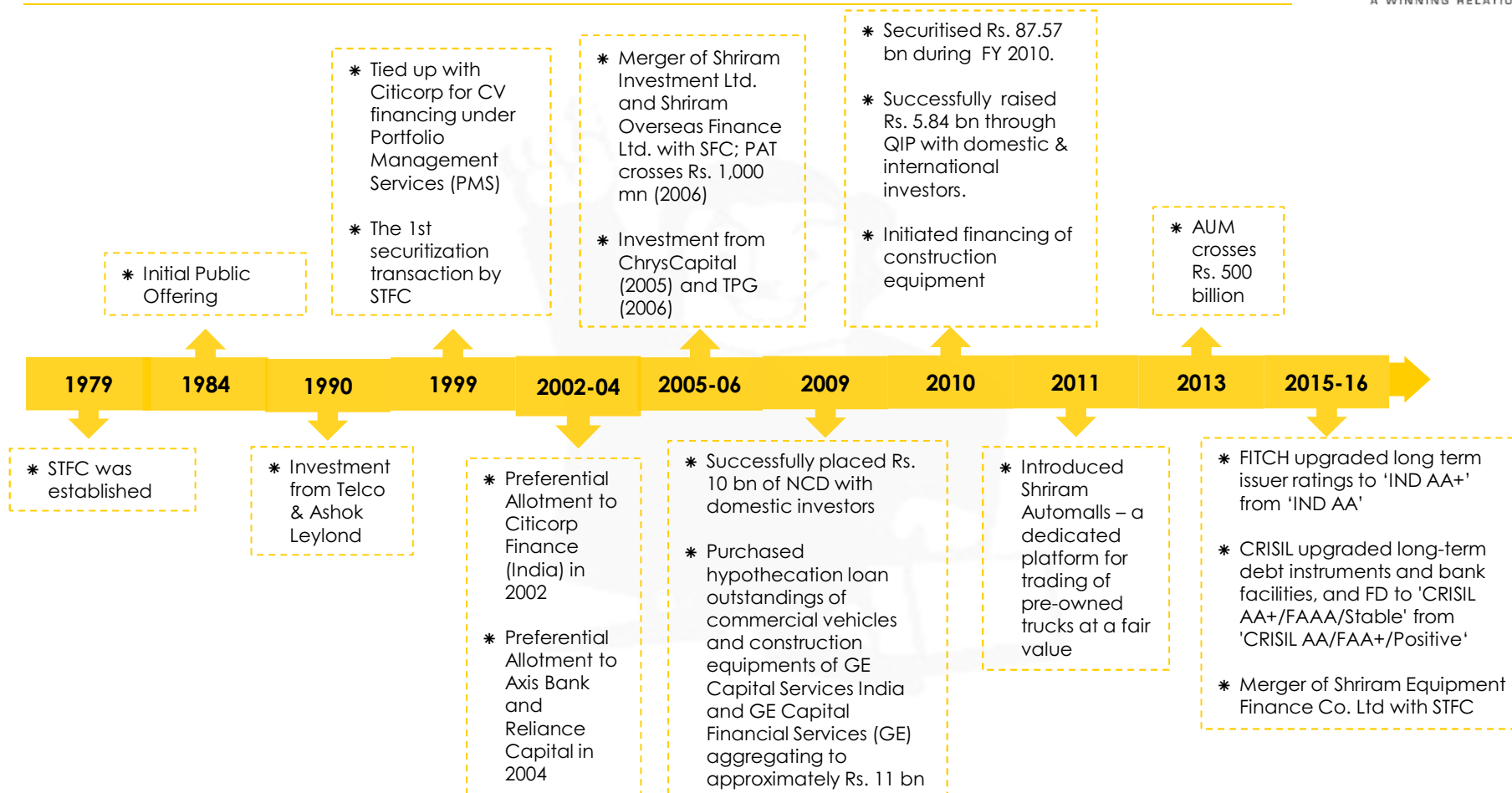
FII holding of **50.06%**

AUM of **1,306.9 billion**

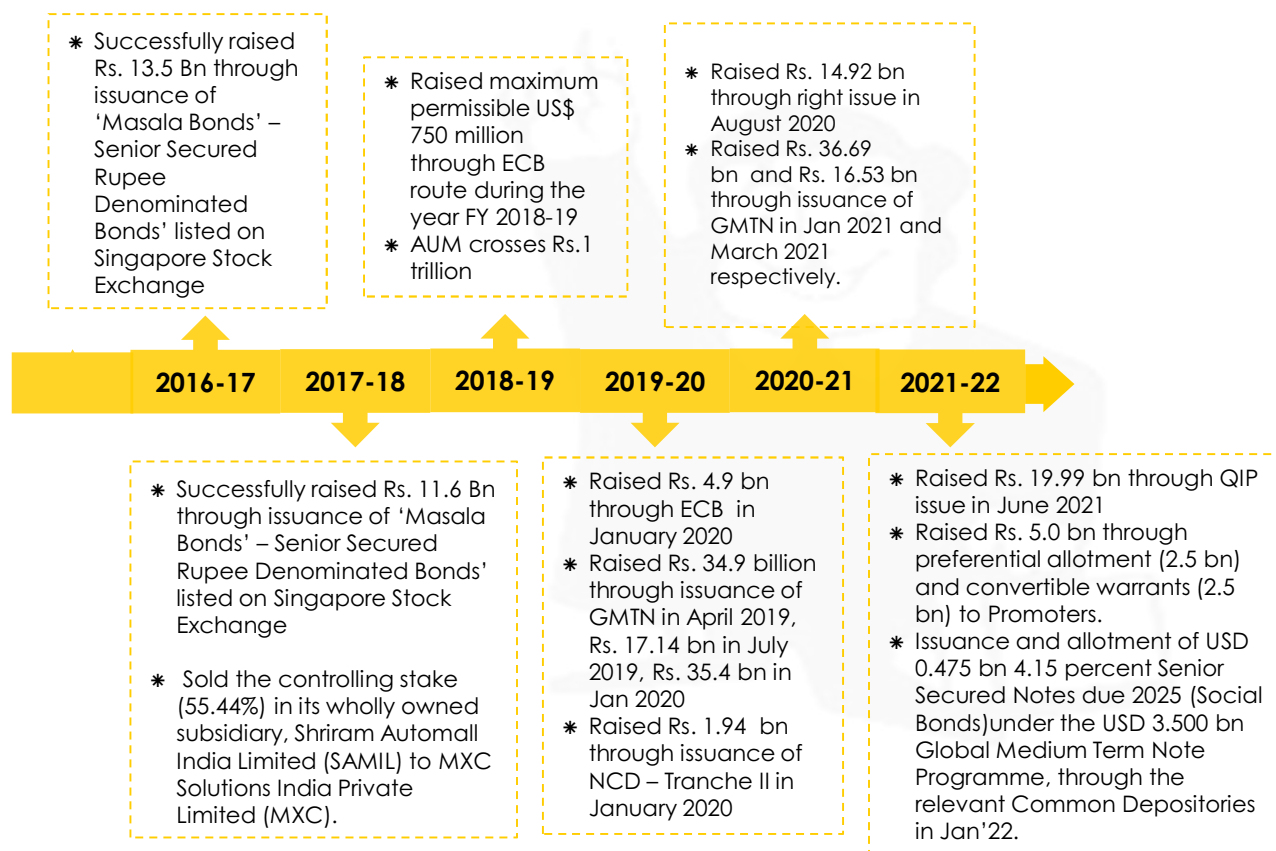


Note: As on June 30, 2022

Corporate History



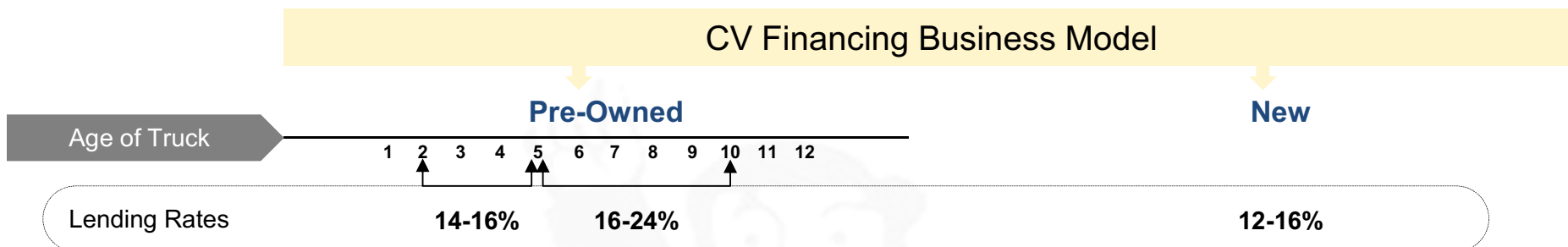
Corporate History(Contd.)



BUSINESS MODEL / COMPETITIVE STRENGTHS



Strategic Presence In High Yield Used CV Segment

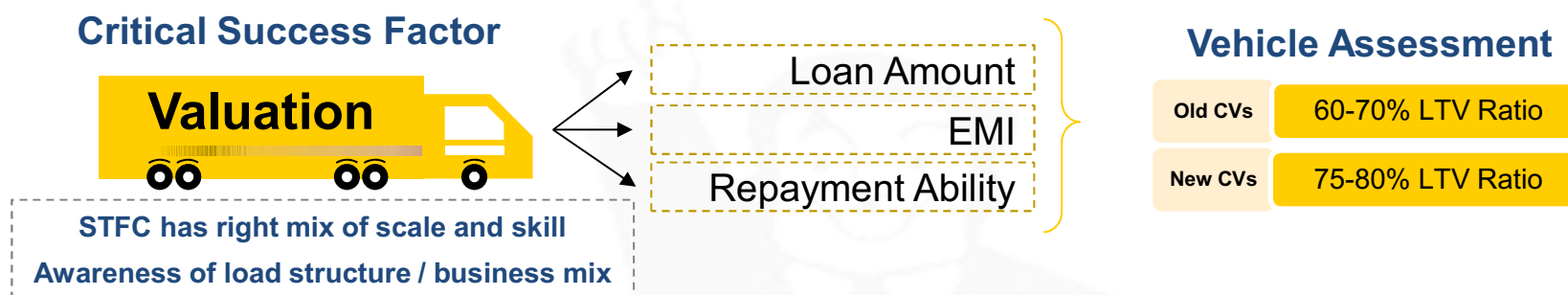


Target Segment	* Small truck owners (less than 5 trucks) with underdeveloped banking habits	* Existing customer base upgrading to new trucks
Performance	* AUM of approximately Rs. 1,219.3 bn at the end of Q1 FY23	* AUM of approximately Rs. 56.8 bn at the end of Q1 FY23

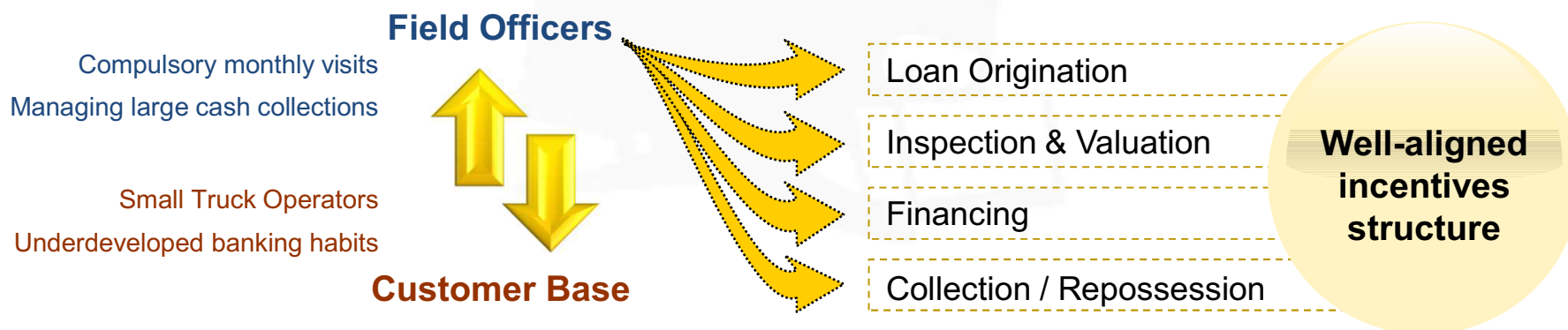
Vehicles Sold (Industry Data)		FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
	LCV	432,233	382,206	383,307	411,703	516,140	616,579	492,882	407,871	475,989
	MHCV	200,618	232,755	302,397	302,529	340,313	390,740	224,806	160,688	240,577
	Total	632,851	614,961	685,704	714,232	856,453	1,007,319	717,688	568,559	716,566

Valuation Expertise & Relationship Based Model

Knowledge Driven Valuation Model



Relationship Based Recovery Model

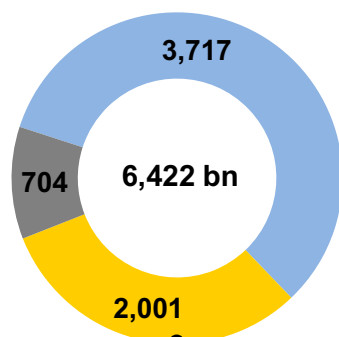


MARKET DYNAMICS & GROWTH STRATEGY

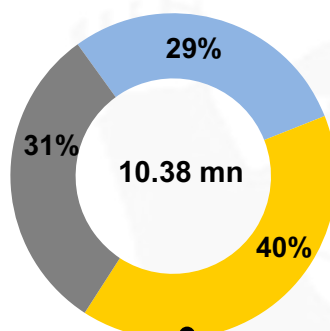


Strong Industry Potential – Commercial Vehicles

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

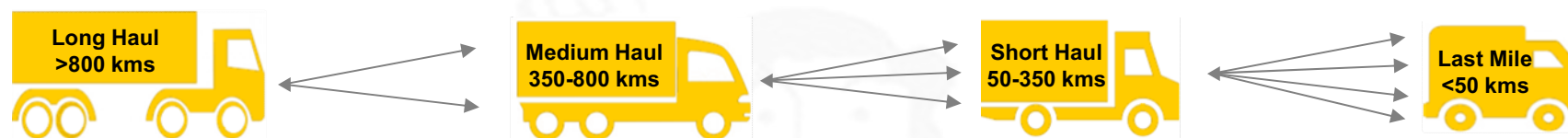
Strong Industry Potential – Other Portfolio Segments

Portfolio

	Construction Equipment	Passenger Vehicle's	Tractor Financing	Automall
Market Size (FY23)	Rs. 800 billion	Rs. 4,400 billion	Rs. 1,200 billion	NA
Key Driver	Infra spends in 11 th 5-year plan/ PM Gati Shakti with transformative approach for economic growth	Personal Mobility is preferred travel	Increasing policy thrust on agriculture	Access to ready consumer base of used-CV's

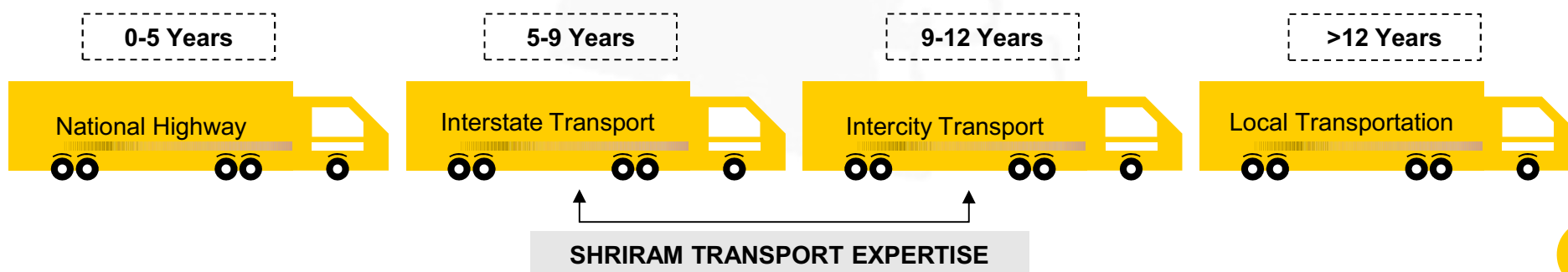
Transportation Model – Multiple Financing Opportunities

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



Growth Strategy

- * Strengthening presence and expanding reach
- * Increase penetration into rural and urban centers
- * 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 1.72%

CONSERVATIVE APPROACH IN LIGHT OF CHALLENGING MACROECONOMIC CONDITIONS

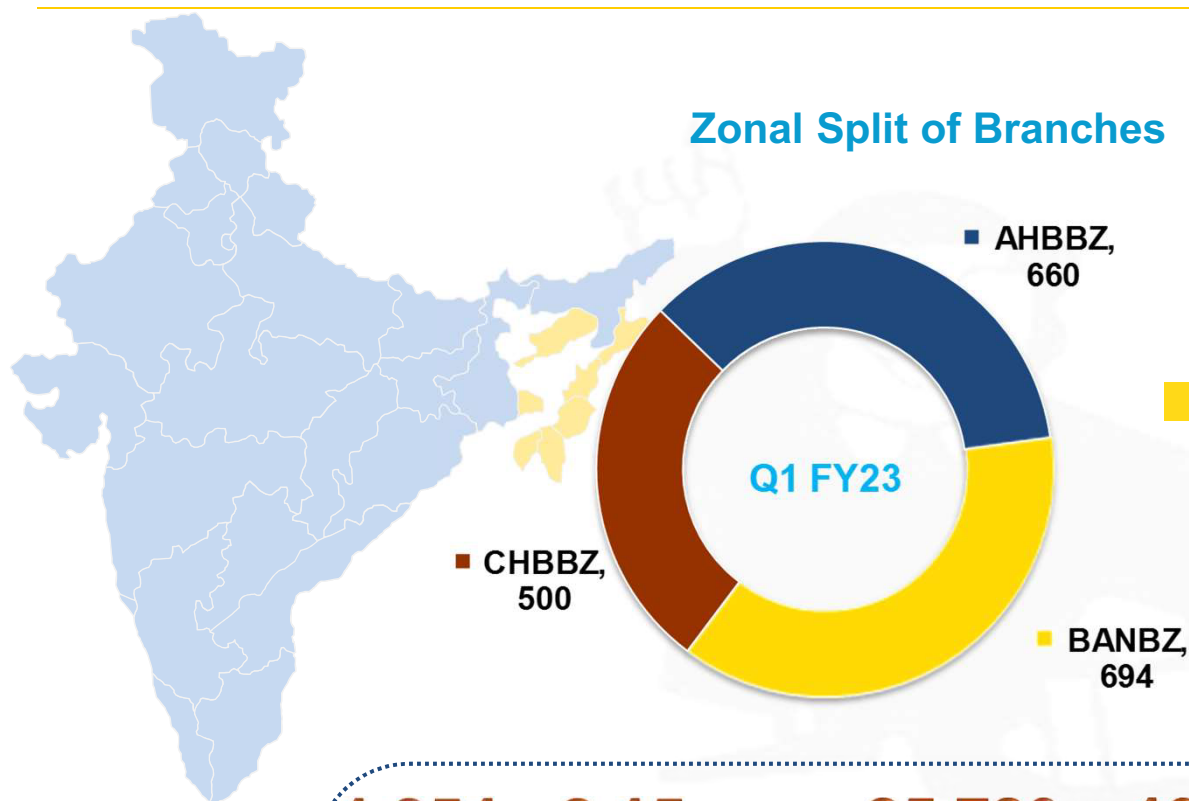
AUM expected to grow to ~Rs. 1,422 billion by end of FY'23

ORGANIZATIONAL STRUCTURE, MANAGEMENT TEAM & BOARD OF DIRECTORS



Well-entrenched Pan India Network

Zonal Split of Branches



Abbreviations

Zone	Zone Name	Branches
AHBBZ	Ahmedabad Business Zone	660
BANBZ	Bangalore Business Zone	694
CHBBZ	Chennai Business Zone	500

Branch Network

1,854

Branch
Offices

2.15 mn

Customers

25,720

Employees

19,739

Business Team

500

Private
Financiers

770

Rural
Centres

Professional Management Team with Vast Industry Experience



Umesh Revankar

**Vice Chairman &
Managing Director**

- Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 35 years and has shouldered various responsibilities and worked in several key roles of business operations.
- Holds a degree in MBA Finance.

Parag Sharma

**Joint Managing
Director and CFO**

- Has been working in the Shriram Group for about three decades.
- He has been a dynamic, successful and accomplished Chief Financial Officer for the past several years.
- He is an expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting , Corporate Strategy and relationships with Rating agencies , Banks, Investors, Regulators, etc

S. Sunder

**Joint Managing
Director Accounts
& Admin**

- Over 30 years experience in finance industry.
- Joined in 1995 and now heads the Accounts and Administration function, a qualified Cost Accountant.

P. Sridharan

**Joint Managing
Director**

- Joined in 1996.
- Over 26 Years experience in Shriram.
- Holds a degree in BSC and MBA.

Professional Management Team with Vast Industry Experience



Nilesh Odedara
**Joint Managing
Director**

- Joined in 1997.
- Holds a degree in BBA.
- Over 25 Years experience in Shriram.

Sudarshan Holla
**Joint Managing
Director**

- Joined in 1991.
- Holds a degree in BBM and MBA.
- Over 30 Years experience in Shriram

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

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

Hozefa Ghasia
**Head of Internal
Audit**

- Joined in 2009.
- Holds a degree in B.Com and is ACA, Certified Internal Auditor and CISA
- Over 30 Years experience in industry

Professional Management Team with Vast Industry Experience

K. Ravisankar President	- Over 30 Years experience in finance industry. - Holds a degree in B.Com, ACA and ICWA. - Heads RBI Compliance functions.
Vivek Madhukar Achwal Company Secretary	- Joined in 2011. - Is a qualified Company Secretary and holds a degree in B.Com and LLB. - Over 30 Years experience in industry.
U Balasundara Rao Chief Information Officer	- Joined in 1994. - Is a qualified Company Secretary and ICWA - Over 27 Years experience in industry
Hardeep Singh Tur Chief Risk Officer	- Joined in 1991. - Holds a degree in B. Com - Over 30 Years experience in industry
Gayadhar Behera Chief Technical Officer	- Joined the group in 1995. - Holds a degree in BSC and MCA - Over 26 Years experience in industry.

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 Vice Chairman & Managing Director	• Joined as an Executive Trainee in 1987. He has been associated with Shriram Group for over 35 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).
Mrs Kishori Udeshi 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., Car Trade Tech Ltd. and SOTC Travel Ltd.

Board of Directors (Contd.)

Y. S. Chakravarti Additional Director	• Is a Non-Executive, Non-Independent Director on our Board. He is a Commerce graduate from Andhra University • Started his career in Shriram Chits Pvt. Ltd., Andhra Pradesh in June 1991 as an executive trainee, and rose to the position of Chief Executive of the Organization Shriram Chits by 1998 • Presently serves as the Managing Director and CEO of Shriram City Union Finance Limited.
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.
Parag Sharma Whole Time Director, Joint Managing Director and CFO	• Has been working in the Shriram Group for about three decades • He has been a dynamic, successful and accomplished Chief Financial Officer the Company for past several years. • He is an expert in handling matters related to Finance & Accounts, MIS, Resource Mobilisation, Treasury Management, Planning and Budgeting, Corporate Strategy and relationships with Rating agencies, Banks, Investors, Regulators, etc

PERFORMANCE TRACK RECORD



Strong Financial Track Record



P&L Metrics (Rs. mn)	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS	FY20 IndAS	FY21 IndAS	FY22 IndAS
Interest Income (Incl. Securitization)	101,953.3	107,305.8	121,435.5	132,710.3	154,441.4	164,773.1	173,346.6	191,806.2
Less: Interest Expenses	50,743.8	52,094.0	54,090.1	64,857.9	76,366.0	83,703.3	91,675.6	98,645.6
Net Interest Income	51,209.5	55,211.8	67,345.4	67,852.4	78,075.4	81,069.8	81,671.0	93,160.6
Other Operating Income & Other Income	761.6	758.3	2,479.4	2,301.8	1,010.6	936.2	900.7	810.0
Profit After Tax	11,782.0	12,573.4	15,680.2	24,605.4	25,639.9	25,018.4	24,872.6	27,079.3
EPS (Rs.)	51.93	55.42	69.11	108.45	113.01	107.44	100.97	101.74
Cost to income Ratio (%)	23.79%	21.15%	20.59%	20.63%	21.49%	23.31%	21.20%	19.89%
NIM (% on AUM)	7.27%	7.16%	7.50%	7.52%	7.41%	7.16%	6.70%	6.62%

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 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)	FY15 IGAAP	FY16 IGAAP	FY17 IGAAP	FY18 IGAAP	FY18 IndAS	FY19 IndAS	FY20 IndAS	FY21 IndAS	FY22 IndAS
- On Books	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	1,161,916.0	1,256,990.3
- Off Books	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	10,512.3	13,418.3
Total AUM	5,91,082.8	7,27,606.0	7,87,609.3	9,53,063.0	9,62,606.1	10,44,822.9	1,097,492.4	1,172,428.3	1,270,408.6
- New	45,700.9	74,621.8	79,188.7	1,08,834.0	1,10,424.7	1,15,940.8	97,951.2	78,553.4	57,960.2
- Used	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	1,045,733.3	1,181,714.8
- Others	16,391.8	22,160.3	22,091.7	43,253.0	44,339.6	58,382.4	60,051.7	48,141.6	30,733.6
Total AUM	5,91,082.8	7,27,606.0	7,87,609.3	9,53,063.0	9,62,606.1	10,44,822.9	1,097,492.4	1,172,428.3	1,270,408.6
Securitisation done	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	136,219.9	141,472.4
Networth	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	215,407.3	259,045.5
Book Value (Rs.)	405.5	446.6	497.7	554.1	598.4	698.0	793.6	852.3	958.6
Interest Coverage Ratio (x)	1.96	2.03	2.08	2.29	2.08	2.03	1.98	1.90	1.95
ROA (%)	2.28%	1.86%	1.76%	1.94%	2.64%	2.33%	2.17%	1.98%	1.88%
ROE (%)	14.03%	11.99%	11.61%	13.06%	20.78%	17.52%	14.71%	12.57%	11.14%
CRAR (%)	20.52%	17.56%	16.94%	16.87%	17.38%	20.27%	21.99%	22.50%	22.97%

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

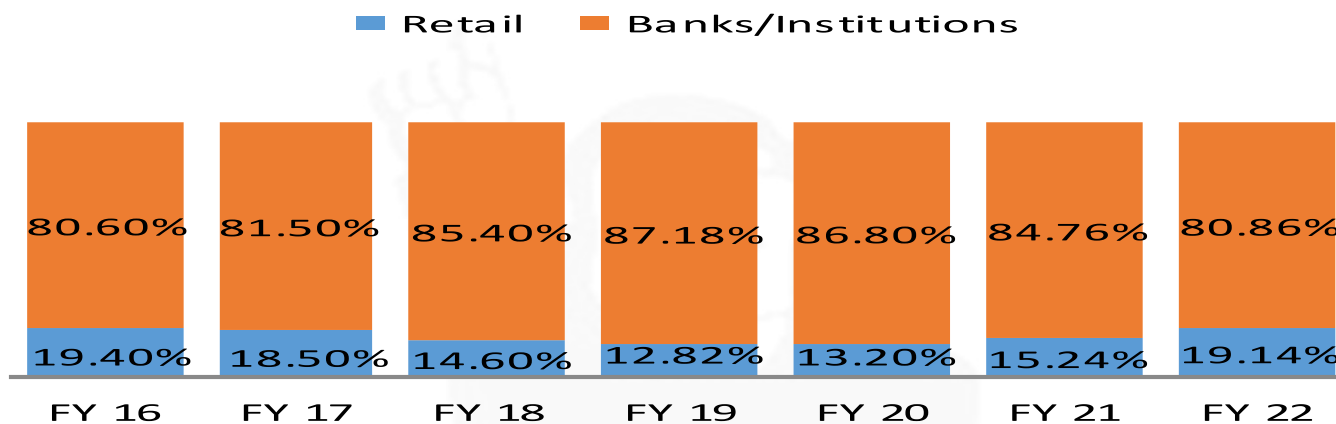
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Healthy Asset Quality (as per IndAS)

Particulars (Rs. mn)	FY18	FY19	FY20	FY21	FY22	YoY (%)
Gross Stage 3	90,842.1	86,222.7	91,797.1	82,952.1	88,875.5	7.14%
ECL provision-Stage 3	30,953.2	29,670.0	31,886.5	34,885.3	44,415.0	27.32%
Net Stage 3	59,888.9	56,552.7	59,910.6	48,066.8	44,460.5	-7.50%
Gross Stage 3 (%)	9.39%	8.37%	8.36%	7.06%	7.07%	0.15%
Net Stage 3 (%)	6.19%	5.65%	5.62%	4.22%	3.67%	-13.03%
Coverage Ratio (%) Stage 3	34.07%	34.41%	34.74%	42.05%	49.97%	18.83%
Gross Stage 1 & 2	876,201.3	943,584.7	1,006,319.5	1,092,000.4	1,168,114.84	6.97%
ECL provision-Stage 1 & 2	23,650.2	26,037.0	31,433.6	44,511.3	45,923.84	3.17%
Net Stage 1 & 2	852,551.1	917,547.7	974,885.9	1,047,489.1	1,122,191.0	7.13%
ECL provision (%) Stage 1 & 2	2.70%	2.76%	3.12%	4.08%	3.93%	-3.55%

Access to Low Cost Funds

Funding Mix as % of Overall Liabilities



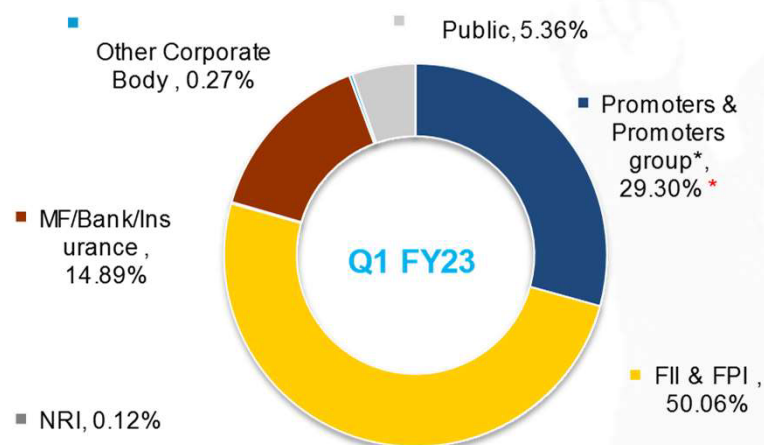
- * Strategic mix of retail deposits and institutional funding matched favorably with deployment
- * Access to fixed rate long term loans of 3 - 5 years due to strong relationships with public, private sector, foreign banks and institutions
- * Securitization of loan book at regular intervals to fund new originations and maintain growth momentum
 - Securitized assets portfolio stands at 189.3 bn and Direct Assignment Portfolio Rs. 13.2 bn at the end of Q1 FY23
- * Conservative recognition of income on account of amortization of securitization income over the tenor of the agreements till FY'17

Credit rating as on June 30, 2022

Credit Rating Agency	Instruments	Ratings as on 30.06.2022
CARE	Commercial Paper	CARE A1+
CARE	Non-convertible debentures	CARE AA+/Stable
CARE	Subordinated debt	CARE AA+/Stable
CRISIL	Bank Loan Long-term	CRISIL AA+/Stable
CRISIL	Bank Loan Short-term	CRISIL A1+
CRISIL	Non-convertible debenture	CRISIL AA+/Stable
CRISIL	Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AA+/r/Stable
CRISIL	Short term debt	CRISIL A1+
CRISIL	Subordinated debt	CRISIL AA+/Stable
Fitch Ratings	Long-Term Issuer Default Rating	BB/ Stable
Fitch Ratings	Senior Secured Notes	BB
Fitch Ratings	Short-Term Issuer Default Rating	B
Fitch Ratings	Local Currency Long Term Issuer Default Rating	BB/ Stable
ICRA	Fixed deposit	[ICRA] AA+ (Stable)
India Ratings & Research Private Limited	Commercial Paper	IND A1+
India Ratings & Research Private Limited	Non-convertible debenture	IND AA+/Stable
India Ratings & Research Private Limited	Subordinated debt	IND AA+/Stable
India Ratings & Research Private Limited	Dual Recourse Market Linked Debentures	IND PP-MLD AAA(CE)emr'/ Stable
India Ratings & Research Private Limited	Dual Recourse Bond	IND AAA (CE)/Stable
India Ratings & Research Private Limited	Fixed deposit	IND AA+/Stable
Standard & Poor's Ratings	Senior Secured Notes	BB-
Standard & Poor's Ratings	Short-Term Issuer Credit Rating	B
Standard & Poor's Ratings	Long-Term Issuer Credit Rating	BB-/ Stable

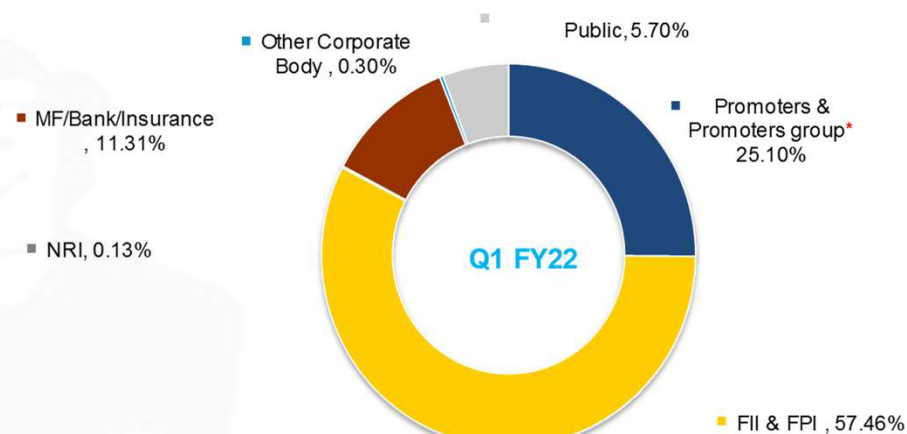
Shareholding Pattern as on June 30, 2022 vs June 30, 2021

No. of shares outstanding: 270.52 mn



Details of Promoters/Promoter Group*	Holding (%)
Shriram Capital Limited	26.04%
Shriram Value Services Limited	3.24%
Shriram Ownership Trust	0.02%
Total	29.30%

No. of shares outstanding: 253.06 mn



Details of Promoters/Promoter Group*	Holding (%)
Shriram Capital Limited	25.08%
Shriram Financial Ventures (Chennai) Private Limited	0.02%
Total	25.10%

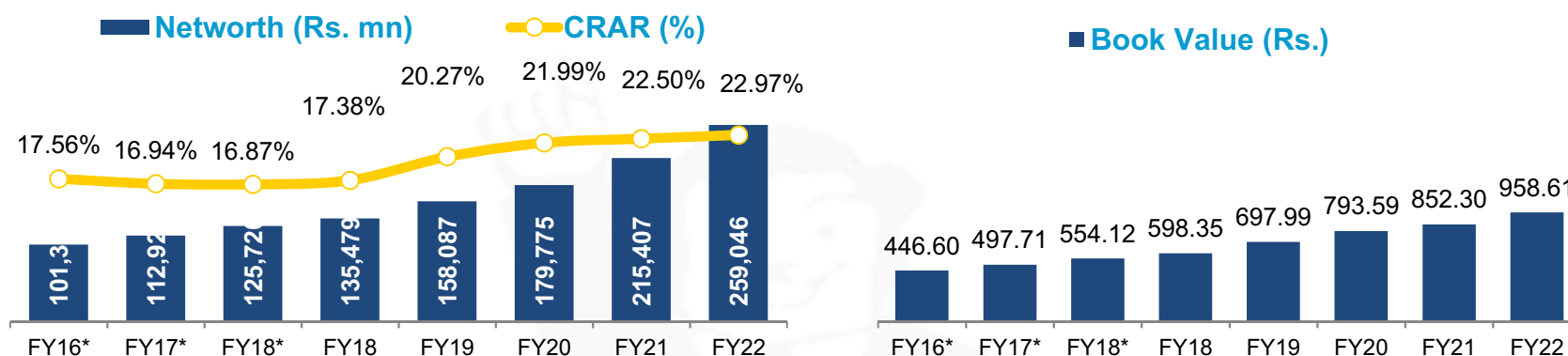
Has Attracted Strong Interest from Quality Investors

- * Consistent track record and high growth potential has attracted reputed institutional and private equity investors to infuse growth capital
- * Last Four fund raising :
 1. On November 25, 2021, allotted 1.736 mn equity shares of face value of Rs. 10/- each aggregating to Rs. 2.5 bn to Shriram Capital Limited, Promoter of the Company for conversion of warrants at a price of Rs. 1,440/- per equity Share (including a premium of Rs. 1,430/- per equity share) on receipt of balance subscription money of Rs. 1.9 bn for allotment of 1,736,100 Warrants convertible into Equity Shares at Rs. 1.080/- per Warrant, being 75% of the Issue price of Rs. 1,440/- of the Warrants.
 2. On July 8, 2021, allotted 1.736 mn equity shares of face value of Rs. 10/- each aggregating to Rs. 2.5 bn on a preferential basis to Shriram Capital Limited, Promoter of the Company (Preferential Issue) for cash at a price of Rs. 1,440/- per equity Share (including a premium of Rs. 1,430/- per equity share). Further the Company allotted 1.736 mn warrants convertible into equity shares of face value of Rs. 10/- each aggregating to Rs. 2.5 bn on a preferential basis to Shriram Capital Limited, for cash at a price of Rs. 1,440/- per equity share (including a premium of Rs. 1,430/- per equity share) and had received the warrant subscription money of Rs. 0.62 bn, being 25% of the Issue price i.e. Rs. 360/- per Warrant.
 3. On June 12, 2021, allotted 13.986 mn equity shares of face value of Rs. 10/- each aggregating to Rs. 19.99 bn to the eligible Qualified Institutional Buyers (QIB) for cash at a price of Rs. 1,430/- per equity share (including a premium of Rs. 1,420/- per equity share).
 4. 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.

List of Key Shareholders

Key Shareholders	Current Shareholding (Mn Shares)	%
Promoter and Promoter Group		
Shriram Capital Limited	70.44	26.04
Shriram Value Services Limited	8.76	3.24
Shriram Ownership Trust	0.06	0.02
Total Promoter and Promoter Group Holding	79.26	29.30
Life Insurance Corporation of India	18.00	6.66
Mirae Asset Emerging Bluechip Fund (under various sub funds)	8.07	2.98
Sanlam Life Insurance Limited	7.54	2.79
Government Pension Fund Global	6.22	2.30
HDFC Trustee Company Ltd. (under various sub funds)	5.63	2.08
J P Morgan Funds	5.29	1.96
Wishbone fund Ltd	4.52	1.67
T. Rowe Price International Value Equity Fund	4.30	1.59
Public & Others	131.69	48.67
Total	270.52	100.00

Well-Capitalized Balance Sheet



* FY16 - FY18 financials as per IGAAP.

* Capital Adequacy Ratio at 22.97% (Tier I - 20.70%, Tier II - 2.27%) as on March 31, 2022 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

- * The collections for Q1FY'23, Q4FY'22 and Q1FY'22 were 101.45%, 104.28%, and 91.04% of the demand respectively.
- * The Company had implemented resolution plans (Resolution 1.0 and Resolution 2.0) to relieve COVID 19 pandemic related stress to 39,410 borrower accounts amounting to Rs. 11,528.20 mn. Out of the above, 8,583 borrower accounts with advance amount of Rs.1,755.42 mn have been settled and the balance outstanding as on June 30, 2022 of 30,827 borrower accounts was Rs. 7,632.62 mn out of which 1.50 % was in > 90 days dpd bucket .
- * Liquidity Coverage Ratio was 191.99 % as on June 30, 2022.
- * The liquidity buffer and SLR investments was Rs. 180.20 bn and Rs. 32.48 bn respectively..

BUSINESS UPDATE

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

Particulars	Amt (Rs. mn)
Covid -19 Provision held on March 31, 2022	20,525.80
Less:- Amount utilised from ECL provision created as management overlay on account of COVID -19 for writeoff#	(2,161.84)
Covid -19 Provision held on June 30, 2022	18,363.96

#Rs. 2,161.84 mn utilised from ECL provision created as management overlay on account of COVID -19.

- The significant increase in economic activities post easing of lockdown by the state governments due to COVID -19 had resulted in improvement in business operations of the Company. During the quarter, the Company has written off Loans outstanding amounting to Rs. 2,161.8 mn by utilising the ECL provision created as management overlay on account of COVID -19. The ECL provision of Rs. 18,363.9 mn is retained by the company as at June 30, 2022 towards management overlay on account of COVID-19.

MERGER UPDATE

- * The Board of Directors of the Company in its meeting held on December 13, 2021 had approved a Composite Scheme of Arrangement and Amalgamation (“Scheme”), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and Shriram City Union Finance Limited with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
- * The Reserve Bank of India vide its letter dated June 15, 2022 conveyed its No-Objection to the Scheme with usual and normal conditions as generally stipulated in such similar approvals.
- * As per the directions of the Hon’ble National Company Law Tribunal, Chennai (“NCLT”) in the common order dated May 11, 2022, the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors was held on July 4, 2022 and the Scheme was approved by the requisite majority of the Equity shareholders, Secured Creditors and Unsecured Creditors in their respective meetings.
- * The Company has filed the Petition with NCLT on July 14, 2022 for sanctioning of the Scheme. Approval from CCI is awaited. The Scheme is subject to approval of regulatory and statutory authorities and the Hon’ble NCLT with appointed date as April 01, 2022.

Performance Highlights – Q1 FY23 vs Q1 FY22

Total Income	10.70 %	↑	Q1 FY23	Rs 51,492.6 mn
			Q1 FY22	Rs 46,515.0 mn
Net Interest Income*	25.35 %	↑	Q1 FY23	Rs 26,417.4 mn
			Q1 FY22	Rs 21,074.5 mn
* including Net Direct assignment Income Rs. 230.4 Mn (Q1 FY22 Rs. 1,056.1 Mn)				
PAT	468.01 %	↑	Q1 FY23	Rs 9,652.7 mn
			Q1 FY22	Rs 1,699.4 mn
EPS	437.35 %	↑	Q1 FY23	Rs 35.68
			Q1 FY22	Rs 6.64

* Cost to income ratio at 19.46% in Q1 FY23 as compared to 19.11% in Q1 FY22

Performance Highlights – Q1 FY23 vs Q1 FY22

AUM	9.55 %		Q1 FY23	Rs 1,306,888.6 mn
			Q1 FY22	Rs 1,193,013.7 mn
Gross Stage 3 assets	6.18 %		Q1 FY23	Rs 90,617.0 mn
			Q1 FY22	Rs 96,584.2 mn
Net Stage 3 assets	18.72 %		Q1 FY23	Rs 43,839.7 mn
			Q1 FY22	Rs 53,935.4 mn
Book Value	12.38 %		Q1 FY23	Rs 991.25
			Q1 FY22	Rs 882.09

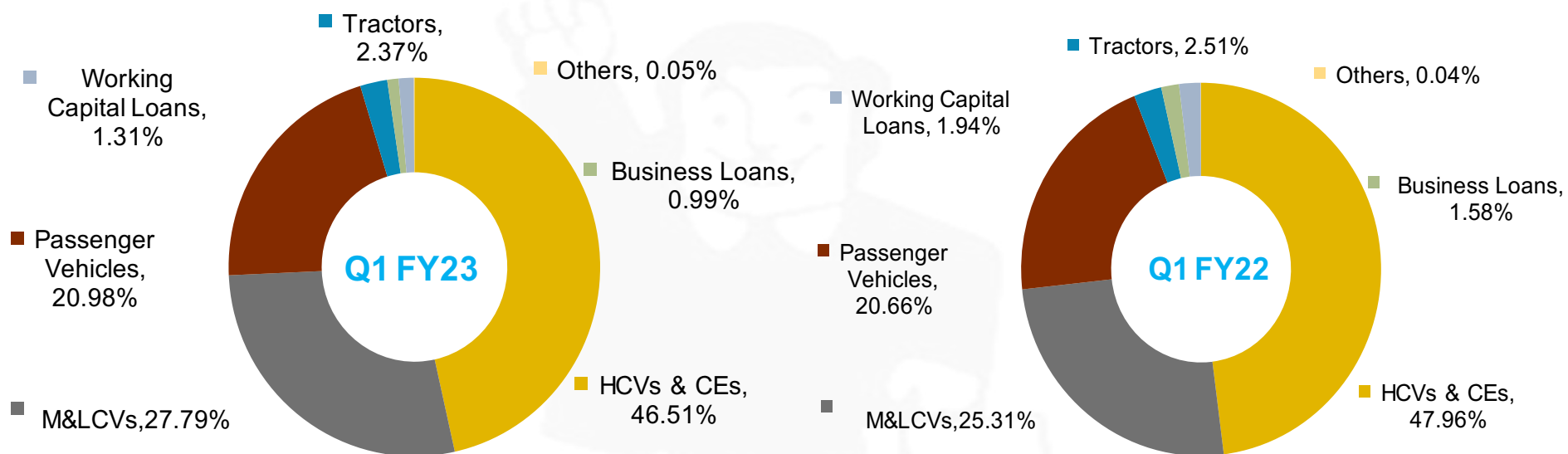
* CRAR at 22.54 % as of Q1 FY23 compared to 23.27% as of Q1 FY22.

AUM Break-up

Particulars (Rs. mn)	Q1 FY23	Q4 FY22	Q1 FY22	YoY (%)	QoQ (%)	FY22
Loan Portfolio						
- On Books						
Balance sheet assets	1,104,313.0	1,065,121.3	969,732.9	13.88%	3.68%	1,065,121.3
Securitised assets	189,338.7	191,869.0	211,274.1	-10.38%	-1.32%	191,869.0
Total On books	1,293,651.7	1,256,990.3	1,181,007.0	9.54%	2.92%	1,256,990.3
- Off Books*	13,236.9	13,418.3	12,006.7	10.25%	-1.35%	13,418.3
Total AUM	1,306,888.6	1,270,408.6	1,193,013.7	9.55%	2.87%	1,270,408.6
- New	56,804.7	57,960.2	71,444.1	-20.49%	-1.99%	57,960.2
- Used	1,219,360.6	1,181,714.8	1,079,123.2	13.00%	3.19%	1,181,714.8
- Business Loans	12,984.1	13,561.9	18,844.4	-31.10%	-4.26%	13,561.9
- Working capital loans	17,111.4	16,558.9	23,102.0	-25.93%	3.34%	16,558.9
- Others	627.8	612.8	500.0	25.56%	2.45%	612.8
Total AUM	1,306,888.6	1,270,408.6	1,193,013.7	9.55%	2.87%	1,270,408.6

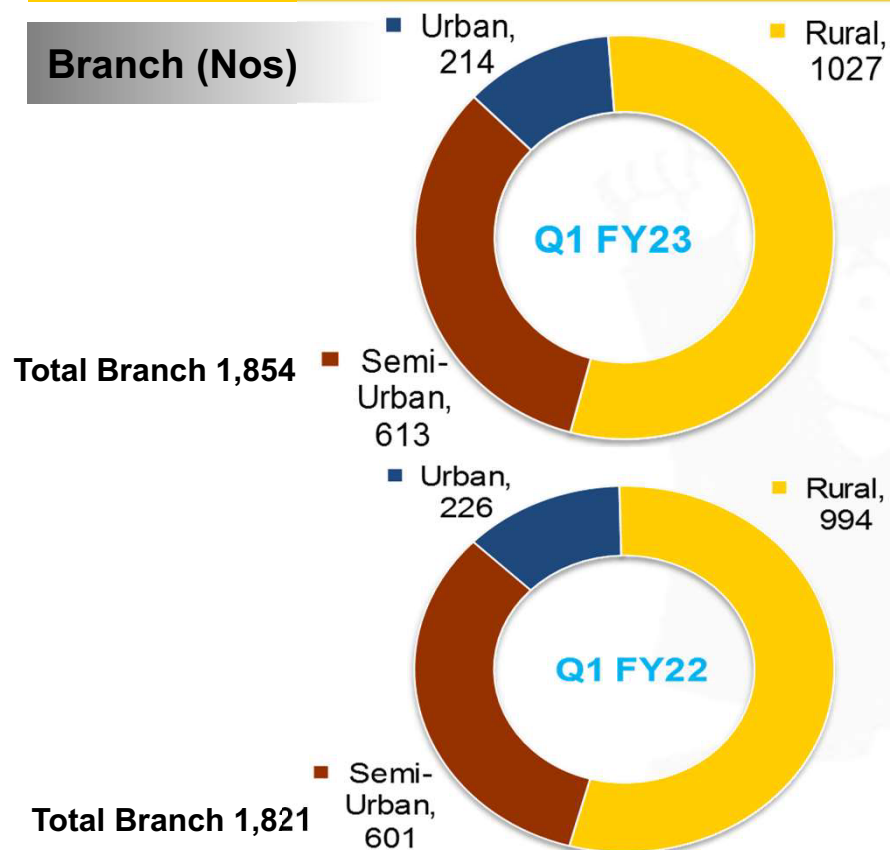
*Off Books pertains to Direct assignment portfolio

Segment-wise AUM Break up

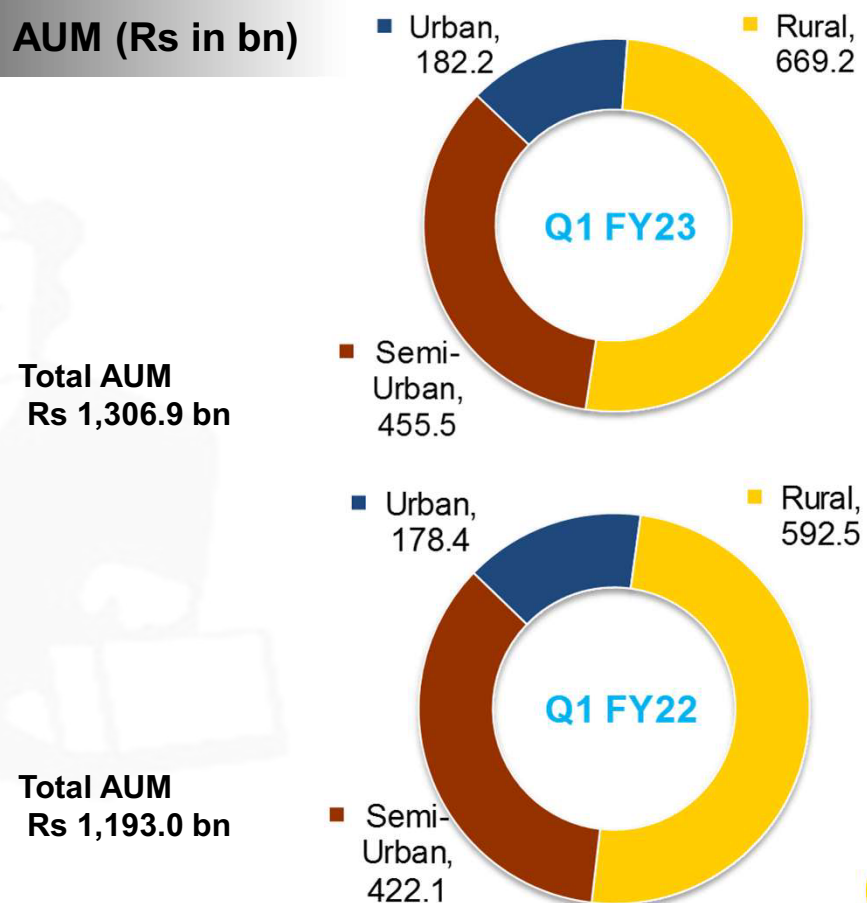


Branch & AUM distribution – Q1 FY23 vs Q1 FY22

Branch (Nos)



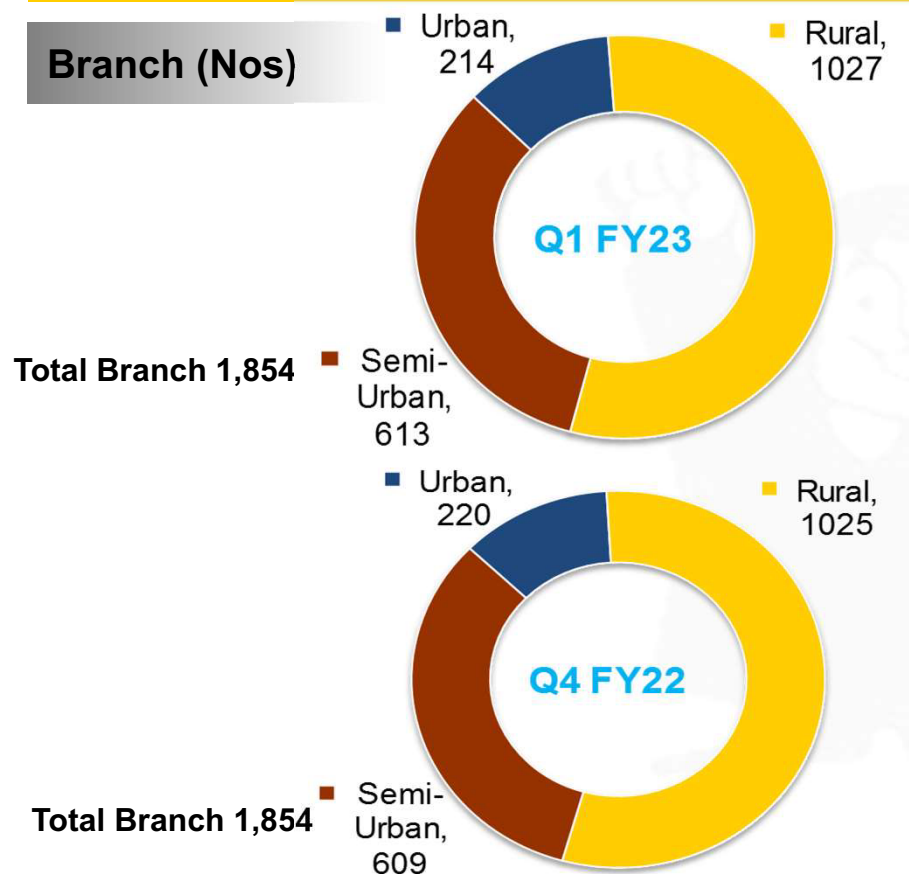
AUM (Rs in bn)



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

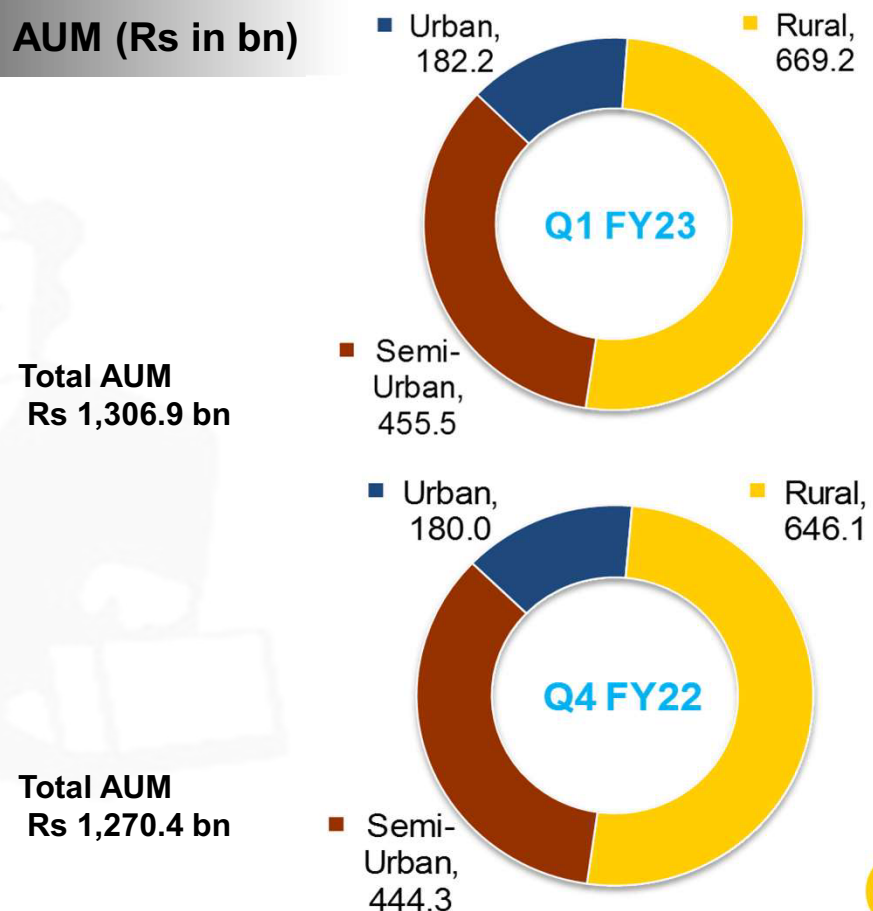
Branch & AUM distribution – Q1 FY23 vs Q4 FY22

Branch (Nos)



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

AUM (Rs in bn)



Provision Analysis

Particulars (Rs. in mn)	Q1 FY23	Q4 FY22	Q1 FY22	YoY (%)	QoQ (%)	FY22
Gross Stage 3	90,617.0	88,875.5	96,584.2	-6.18%	1.96%	88,875.5
ECL provision-Stage 3	46,777.3	44,415.0	42,648.8	9.68%	5.32%	44,415.0
Net Stage 3	43,839.7	44,460.5	53,935.4	-18.72%	-1.40%	44,460.5
Gross Stage 3 (%)	7.00%	7.07%	8.18%	-14.35%	-0.93%	7.07%
Net Stage 3 (%)	3.52%	3.67%	4.74%	-25.79%	-4.11%	3.67%
Coverage Ratio (%) Stage 3	51.62%	49.97%	44.16%	16.90%	3.29%	49.97%
Gross Stage 1	10,67,017.6	10,34,929.8	9,12,793.9	16.90%	3.10%	10,34,929.8
ECL provision-Stage 1	34,302.4	33,813.4	30,021.5	14.26%	1.45%	33,813.4
Net Stage 1	10,32,715.2	10,01,116.4	8,82,772.4	16.99%	3.16%	10,01,116.4
Gross Stage 1 (%)	82.49%	82.33%	77.29%	6.73%	0.19%	82.33%
ECL provision (%) Stage 1	3.21%	3.27%	3.29%	-2.26%	-1.60%	3.27%
Gross Stage 2	1,36,017.2	1,33,185.0	1,71,628.9	-20.75%	2.13%	1,33,185.0
ECL provision-Stage 2	12,488.1	12,110.4	17,107.5	-27.00%	3.12%	12,110.4
Net Stage 2	1,23,529.2	1,21,074.6	1,54,521.4	-20.06%	2.03%	1,21,074.6
Gross Stage 2 (%)	10.51%	10.60%	14.53%	-27.65%	-0.77%	10.60%
ECL provision (%) Stage 2	9.18%	9.09%	9.97%	-7.89%	0.97%	9.09%

P&L Statement

Particulars (Rs. mn)	Q1 FY23	Q4 FY22	Q1 FY22	YoY (%)	QoQ (%)	FY22
Interest income	51,278.3	50,542.9	46,339.3	10.66%	1.46%	191,806.2
Interest expended	24,860.9	24,264.7	25,264.8	-1.60%	2.46%	98,645.6
Net interest income	26,417.4	26,278.2	21,074.5	25.35%	0.53%	93,160.6
Other Operating Income	-	-	-	-	-	-
Operating income	26,417.4	26,278.2	21,074.5	25.35%	0.53%	93,160.6
Operating expenditure	5,490.6	5,417.0	4,493.0	22.20%	1.36%	19,869.5
Core operating profit *	20,926.8	20,861.2	16,581.5	26.21%	0.31%	73,291.1
Other income	193.6	252.9	161.4	19.95%	-23.45%	810.0
Operating profit	21,120.4	21,114.1	16,742.9	26.15%	0.03%	74,101.1
Loan Losses & Provisions	8,051.6	7,607.9	14,396.0	-44.07%	5.83%	38,608.6
Profit before tax	13,068.8	13,506.2	2,346.9	456.85%	-3.24%	35,492.5
Tax Expense	3,416.1	2,644.9	647.5	427.58%	29.16%	8,413.2
Profit after tax	9,652.7	10,861.3	1,699.4	468.01%	-11.13%	27,079.3
Other comprehensive Income (Net)	(822.6)	(1,395.3)	(119.6)	587.79%	-41.04%	(1,228.0)
Total Comprehensive Income	8,830.1	9,466.0	1,579.8	458.94%	-6.72%	25,851.3
EPS (Rs)	35.68	40.15	6.64	437.35%	-11.13%	101.74
Tier I CRAR %	20.62%	20.70%	21.05%	-2.07%	-0.39%	20.70%
Tier II CRAR %	1.92%	2.27%	2.22%	-13.37%	-15.42%	2.27%
Total CRAR %	22.54%	22.97%	23.27%	-3.14%	-1.87%	22.97%
Book Value (Rs)	991.25	958.61	882.09	12.38%	3.41%	958.61

*Before Provisions & Contingencies

Balance Sheet

Particulars (Rs. mn)	Jun-22	Mar-22	Jun-21	YoY (%)	QoQ (%)
I. ASSETS					
Financial Assets					
Cash and cash equivalents	114,071.7	106,624.4	107,176.7	6.43%	6.98%
Bank Balance other than above	65,017.8	56,927.2	53,056.6	22.54%	14.21%
Derivative financial instruments	6,144.3	2,014.0	2,614.7	134.99%	205.08%
Receivables					
(I) Trade Receivables	57.0	53.5	52.9	7.75%	6.54%
(II) Other Receivables	1,860.4	1,926.7	1,418.0	31.20%	-3.44%
Loans	1,200,084.0	1,166,651.5	1,091,229.3	9.98%	2.87%
Investments	69,413.0	68,091.6	33,524.9	107.05%	1.94%
Other-financial assets	509.6	514.5	468.9	8.68%	-0.95%
Non Financial assets					
Current tax assets (net)	2,348.5	2,282.4	1,717.3	36.76%	2.90%
Deferred tax assets (net)	10,880.6	8,693.8	8,830.0	23.22%	25.15%
Investment Property	19.6	19.7	19.9	-1.51%	-0.51%
Property, plant and equipment	1,098.9	1,105.6	1,174.2	-6.41%	-0.61%
Right-of-use assets	3,108.9	3,025.2	3,021.0	2.91%	2.77%
Intangible assets under development	94.4	-	-	0.00%	0.00%
Other Intangible assets	29.2	30.4	25.8	13.18%	-3.95%
Other non-financial assets	3,163.6	3,100.4	3,017.6	4.84%	2.04%
Total	1,477,901.5	1,421,060.9	1,307,347.8	13.05%	4.00%

Balance Sheet (Continued)

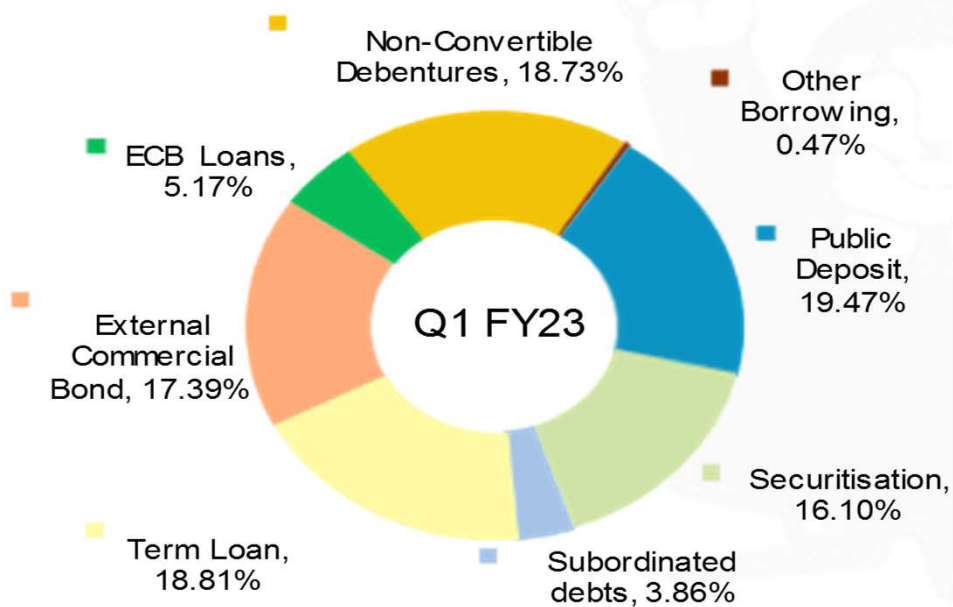
Particulars (Rs. mn)	Jun-22	Mar-22	Jun-21	YoY (%)	QoQ (%)
II. Liabilities and Equity					
Financial Liabilities					
Payables	1,560.5	1,687.0	1,331.1	17.23%	-7.50%
Debt Securities	430,675.3	412,565.5	407,022.7	5.81%	4.39%
Borrowings (other than debt securities)	483,092.8	466,769.3	420,096.1	15.00%	3.50%
Deposits	232,445.0	219,489.8	179,446.4	29.53%	5.90%
Subordinated Liabilities	46,034.7	46,142.5	46,604.9	-1.22%	-0.23%
Lease liabilities	3,593.5	3,494.3	3,448.0	4.22%	2.84%
Other financial liabilities	7,887.6	8,596.4	9,990.7	-21.05%	-8.25%
Non-financial Liabilities					
Current tax liabilities (net)	2,380.8	368.2	2,036.2	16.92%	546.61%
Provisions	1,541.4	1,381.8	1,464.5	5.25%	11.55%
Other non-financial liabilities	537.9	1,244.2	348.5	54.35%	-56.77%
Equity					
Equity share capital	2,705.2	2,705.2	2,670.5	1.30%	0.00%
Other equity	265,446.8	256,616.7	232,888.2	13.98%	3.44%
Total	1,477,901.5	1,421,060.9	1,307,347.8	13.05%	4.00%

Key Metrics – Q1 FY23

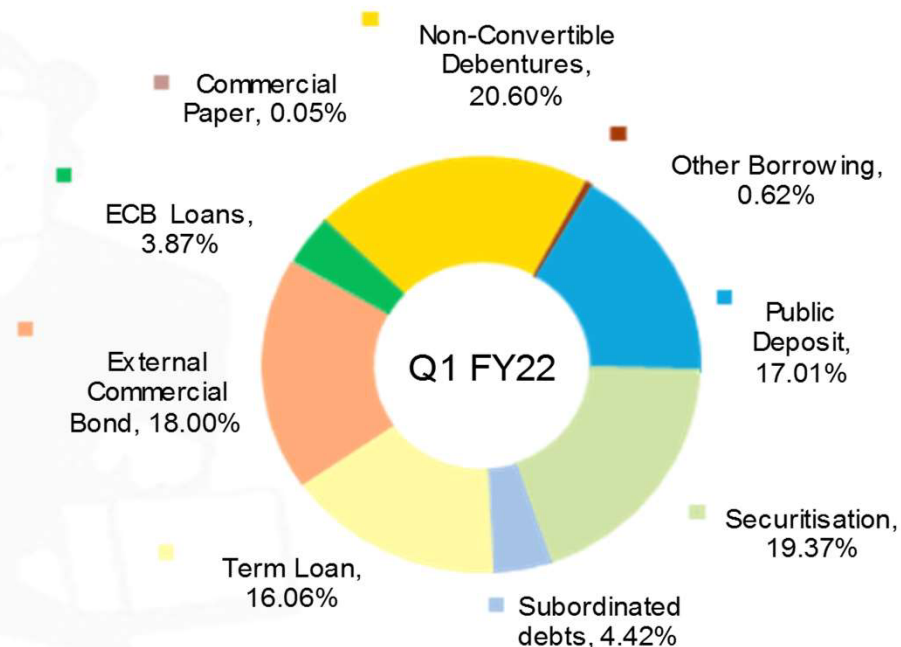
P&L Metrics (Rs. mn)	Q1 FY23	Q4 FY22	Q1 FY22	YoY (%)	QoQ (%)	FY22
Interest Income	51,278.3	50,542.9	46,339.3	10.66%	1.46%	191,806.2
Less: Interest Expenses	24,860.9	24,264.7	25,264.8	-1.60%	2.46%	98,645.6
Net Interest Income	26,417.4	26,278.2	21,074.5	25.35%	0.53%	93,160.6
Other Operating Income & Other Income	193.6	252.9	161.4	19.95%	-23.45%	810.0
Profit After Tax	9,652.7	10,861.3	1,699.4	468.01%	-11.13%	27,079.3
EPS (Rs.)	35.68	40.15	6.64	437.35%	-11.13%	101.74
Cost to income Ratio (%)	19.46%	20.00%	19.11%	1.82%	-2.73%	19.89%
NIM (on AUM)	6.91%	6.96%	6.38%	8.31%	-0.72%	6.62%
Balance Sheet Metrics (Rs. mn)	Q1 FY23	Q4 FY22	Q1 FY22	YoY (%)	QoQ (%)	FY22
Networth	267,875.6	259,045.5	235,282.3	13.85%	3.41%	259,045.5
Book Value (Rs.)	991.25	958.61	882.09	12.38%	3.41%	958.61
Interest Coverage (x)	2.07	2.09	1.84	12.50%	-0.96%	1.95
ROA (%)	2.51%	2.90%	0.49%	412.24%	-13.45%	1.88%
ROE (%)	14.64%	16.96%	3.01%	386.38%	-13.68%	11.14%
CRAR (%)	22.54%	22.97%	23.27%	-3.14%	-1.87%	22.97%

Borrowing Profile as on June 30, 2022 vs June 30, 2021

Rs. 1,192.25 bn

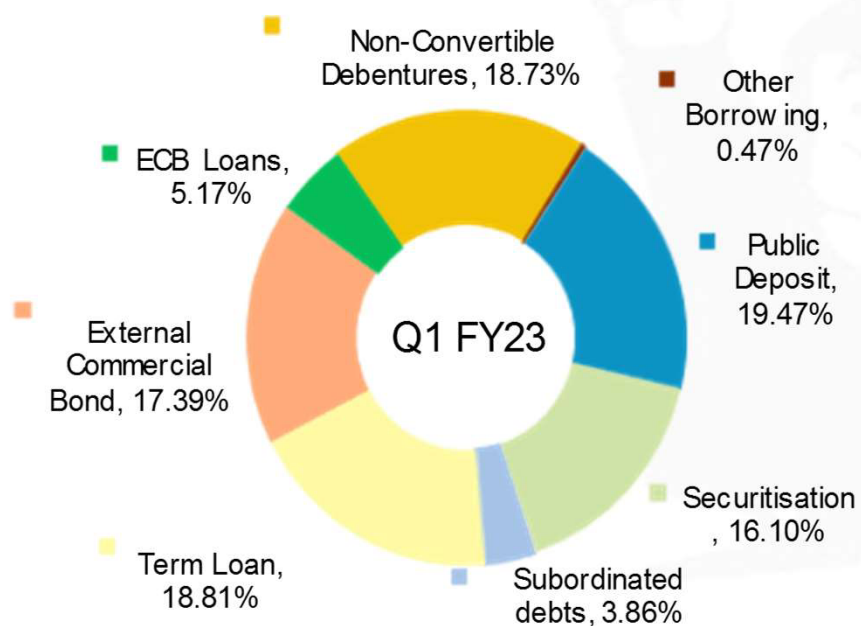


Rs. 1,053.17 bn

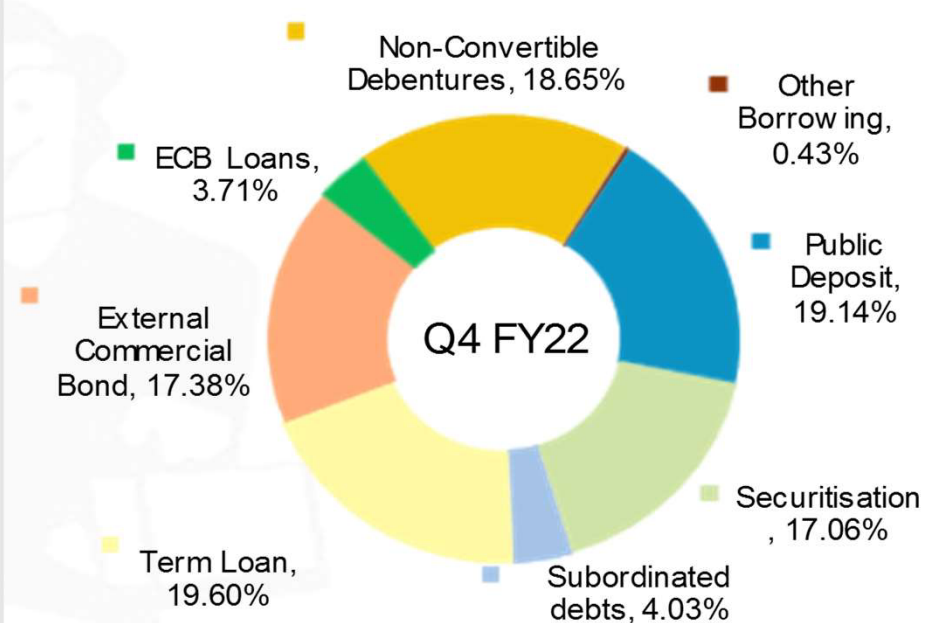


Borrowing Profile as on June 30, 2022 vs March 31, 2022

Rs. 1,192.25 bn



Rs. 1,144.97 bn



ALM statement on June 30, 2022

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	61.60	25.71	24.51	156.69	159.59	532.80	152.12	388.19	1,501.21
Total Intflows	160.51	54.49	43.47	157.38	226.26	609.12	165.90	61.40	1,478.53
Mismatch	98.91	28.78	18.96	0.69	66.67	76.32	13.78	(326.79)	(22.68)
Cumulative mismatch	98.91	127.69	146.65	147.34	214.01	290.33	304.11	(22.68)	

About Us



About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is one of the largest asset financing NBFCs in India with Assets under Management of Rs. 130,688.9 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 1,854 branches, and employs 25,720 employees including 19,739 Business team. The company has built a strong customer base of approx. 2.15 mn. Over the past 43 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.

Contact Us

**For any Investor Relations
queries please contact**

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