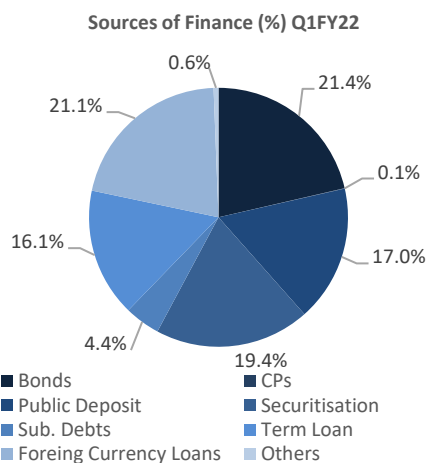
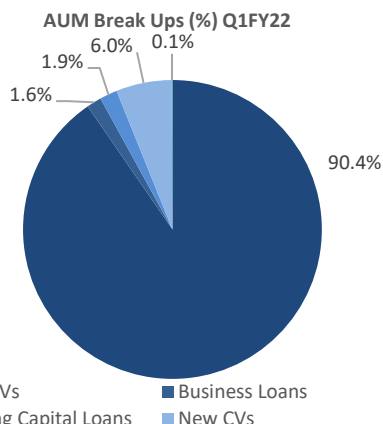


STFC is the part of “SHRIRAM” conglomerate which has significant presence in financial services viz., Commercial Vehicle financing business, Consumer Finance, Life and General Insurance, Stock Broking, Chit Funds and distribution of financial products.

STFC is a RBI registered NBFC established in 1979 providing Commercial Vehicle finance for pre-owned vehicles in India. About 90% of AUM is for used Commercial Vehicle while rest is under new Commercial Vehicles, business loans and working capital loans.

Business model and competitive strength:

- **High yielding advances:** High yield (14-24%) on advances exists in used commercial vehicle unlike 12-16% in case of new vehicles due to highly under-penetrated market (Rs3.2 trillion) as formal route of financing is limited.
- **Strong risk coverage:** Comfortable LTV (60-80%) on blended basis indicating strong risk coverage. Pan India presence with >1,800 branches serving >2.1 million customers.
- **Strong and experienced management team:** Umesh Revankar (MD & CEO) has over 30 years of experience in the industry.
- **Strong financials:** Its total AUM has been doubled in the past six years to >Rs1 trillion while its net profit jumped >100% in past six years. Due to high yield on advances, the spread (5-10%), NIM (~7%) and RoA (~2%) is one of the best in the industry.
- **In-line asset quality:** The asset quality was healthy with GNPA >7% and PCR at 42% due to lumpy income profile of borrowers. Covid-19 led lockdown has deepened some of the problems on asset quality as collection cycle virtually became stagnant.
- **Well capitalised:** The company is adequately capitalised with CAR of >22% while its long term and short term rating are AA+ and A1+ respectively. The CAR is also bolstered by a rights issue in July, 2020.



AUM in Rs Cr **Q1FY22** **1,19,301**

Financials:

Particulars (Rs. Crore)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
NII	5,521	6,785	7,808	8,107	8,167
NP	1,257	2,461	2,564	2,502	2,487
RoA (%)	1.8	2.6	2.3	2.2	2.0
RoE (%)	11.6	20.8	17.5	14.7	12.6
NIM (%)	7.2	7.5	7.4	7.2	6.7
NNPA	1,659.00	5,989	5,655	5,991	4,807

Source: Company presentation

Shriram Transport Finance FD rates for deposits upto Rs. 5 Crores (w.e.f. 1 August, 2021)

Tenure (Months)	Non - Cumulative Scheme				Cumulative Scheme		Sr. Citizen Benefit
	Monthly (p.a.)	Quarterly (p.a.)	Half Yearly (p.a.)	Yearly (p.a.)	Interest (p.a.)	Effective Yield (p.a.)	
12	6.31%	6.35%	6.40%	6.50%	6.31%	6.50%	0.30% p.a.
24	6.54%	6.58%	6.64%	6.75%	6.54%	6.97%	
36	7.25%	7.30%	7.37%	7.50%	7.25%	8.08%	
48	7.34%	7.39%	7.46%	7.60%	7.34%	8.51%	
60	7.48%	7.53%	7.60%	7.75%	7.48%	9.05%	
Min. Investment	Rs. 5000/-						

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017 | Research Analyst : INH000000602

Portfolio Manager: INP000004912 | IRDA : CA0103

Registered & Corporate Office: Marathon Futurex, A & B Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

Toll Free: 022-6854-4444

E-mail: helpdesk@sbicapsec.com | Web: www.sbismart.com

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Name	Qualification	Designation
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Research
Mital Chheda	MMS Finance	Research Analyst - Mutual Funds

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