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FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE

INFORMATION

Corporate Identity Number (CIN)

L65191TN1979PLC007874

BOARD OF DIRECTORS

Chairman (Non – Executive)

Mr. S. Lakshminarayanan (Independent)

Managing Director & CEO

Mr. Umesh Revankar
(w.e.f. October 26, 2016)

Directors

Mr. S. M. Bafna (Independent)
Mr. Amitabh Chaudhry (Independent)
Mrs. Kishori Udeshi (Independent)
Mr. S. Sridhar (Independent)
Mr. Puneet Bhatia
Mr. Gerrit Lodewyk Van Heerde
Mr. D. V. Ravi
Mr. Jasmit Singh Gujral
(Managing Director & CEO upto October 25, 2016)
Mr. Ramakrishnan Subramanian
(upto February 03, 2017)

COMPANY SECRETARY

Mr. Vivek Achwal

AUDITORS

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants
M/s. G. D. Apte & Co., Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

Integrated Registry Management Services
Private Limited,
2nd Floor, 'Kences Towers', No. 1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017. Tel: 044 2814 0801/02/03,
Fax: 044 2814 2479

DEBENTURE TRUSTEES

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai – 400 001.
Mr. S. Gunware
Tel No. : +91 22 40807000 | Fax: + 91 22 66311776
itsl@idbitrustee.com

Axis Trustee Services Limited
Axis House, Wadia International Centre,
Pandurang Budhkar Marg, Worli, Mumbai – 400 025
Mr. Devraj Rao
Tel: +91 22 62260075/74
debenturetrustee@axistrustee.com

Catalyst Trusteeship Limited (Formerly known as
GDA Trusteeship Limited)
Office No. 83 – 87, 8th floor, 'Mittal Tower', 'B' Wing,
Nariman Point, Mumbai – 400021
Mr. Umesh Salvi
Tel No : +91 22 – 49220555 Fax No +91 22 49220505
umesh.salvi@ctltrustee.com

REGISTERED OFFICE

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

CORPORATE OFFICE

Wockhardt Towers, West Wing, Level-3, C-2, G-Block,
Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra.
Tel: 022 4095 9595, Fax: 022 4095 9597

LISTED AT

National Stock Exchange of India Ltd.
BSE Ltd.
Singapore Exchange Securities Trading Limited (Masala Bonds)

INSTITUTIONS

Small Industries Development Bank of India (SIDBI)
National Bank for Agriculture and Rural Development
J P Morgan Securities India Private Limited

BANKERS

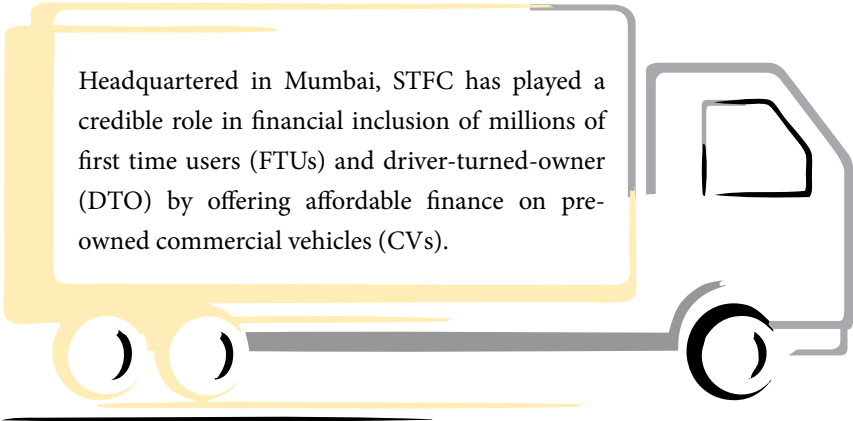
| | |
|---|---|
| Abu Dhabi Commercial Bank | Jammu & Kashmir Bank Limited |
| Allahabad Bank | Karnataka Bank Limited |
| Andhra Bank | KarurVysya Bank Limited |
| Axis Bank Ltd | Kotak Mahindra Bank Limited |
| Bank of America N.A. | Mizuho Bank Limited |
| Bank of Bahrain & Kuwait B.S.C | Oriental Bank of Commerce |
| Bank of Baroda | Punjab & Sind Bank |
| Bank of Ceylon | Punjab National Bank |
| Bank of India | RBL Bank Limited |
| Bank of Maharashtra | SBM Bank (Mauritius) Limited |
| The Bank of Tokyo Mitsubishi UFJ, Ltd | South Indian Bank Limited |
| Barclays Bank PLC | Standard Chartered Bank |
| Canara Bank | State Bank of India |
| Central Bank of India | Sumitomo Mitsui Banking Corporation |
| Citibank N.A. | Syndicate Bank |
| Credit Suisse AG | The Federal Bank Limited |
| DBS Bank Ltd | The Zororastian Co-operative Bank Limited |
| Dena Bank | UCO Bank |
| FirstRand Bank Ltd | Union Bank of India |
| HDFC Bank Ltd | United Bank of India |
| The Hongkong and Shanghai Banking Corporation Ltd | United Overseas Bank |
| ICICI Bank Limited | Vijaya Bank |
| IDBI Bank Limited | Woori Bank |
| IDFC Bank Limited | Yes Bank Limited |
| Indian Bank | |
| Indian Overseas Bank | |
| IndusInd Bank | |
| Industrial and Commercial Bank of China | |



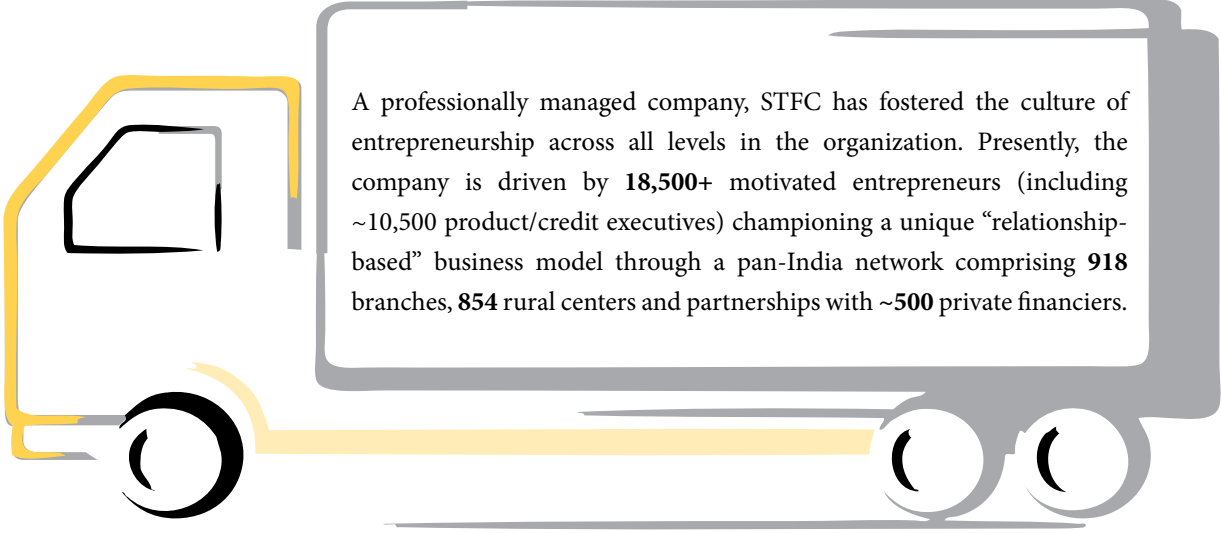
Shriram Transport Finance Company Limited (STFC) is the flagship company of Shriram Group – a diversified group with interests in financial services, manufacturing, value added services, project development, engineering services, pharmaceuticals, etc.



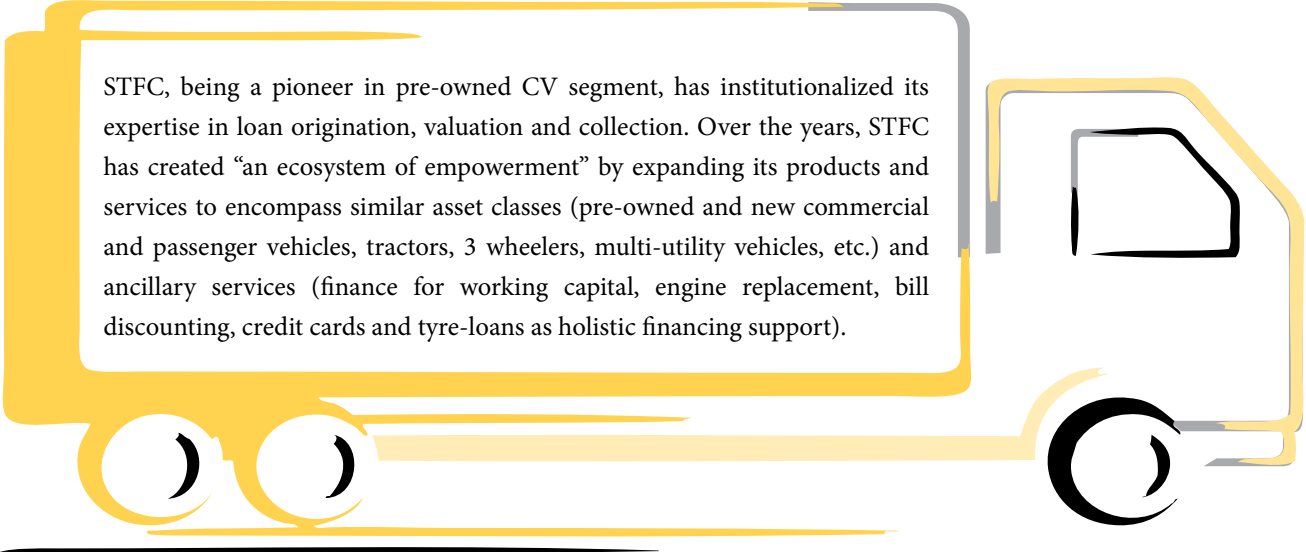
Established in 1979, STFC is one of the largest asset financing Non-Banking Finance Company.



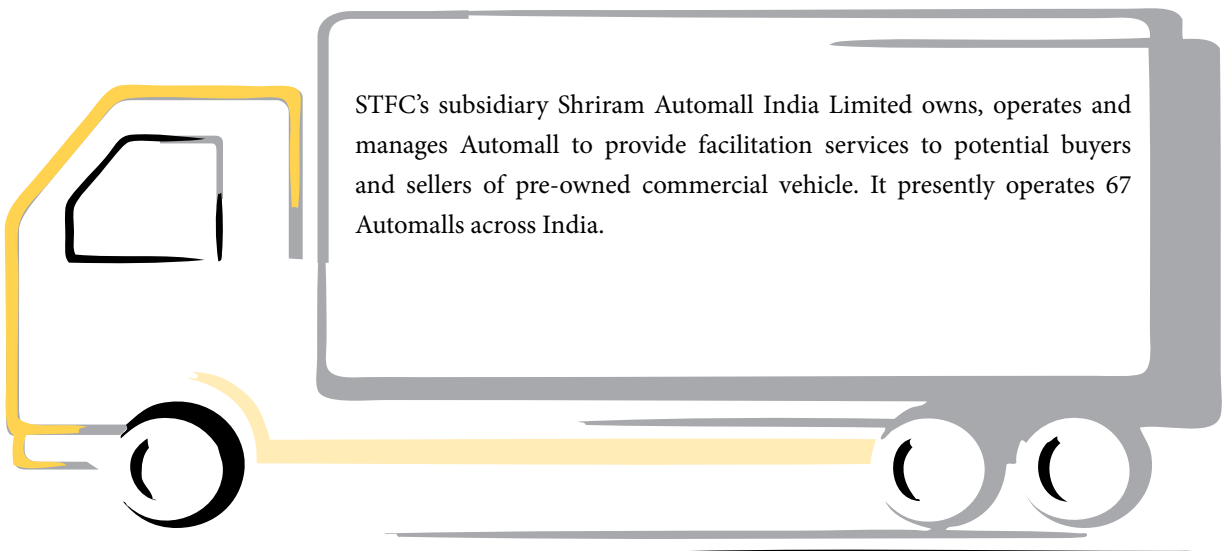
Headquartered in Mumbai, STFC has played a credible role in financial inclusion of millions of first time users (FTUs) and driver-turned-owner (DTO) by offering affordable finance on pre-owned commercial vehicles (CVs).



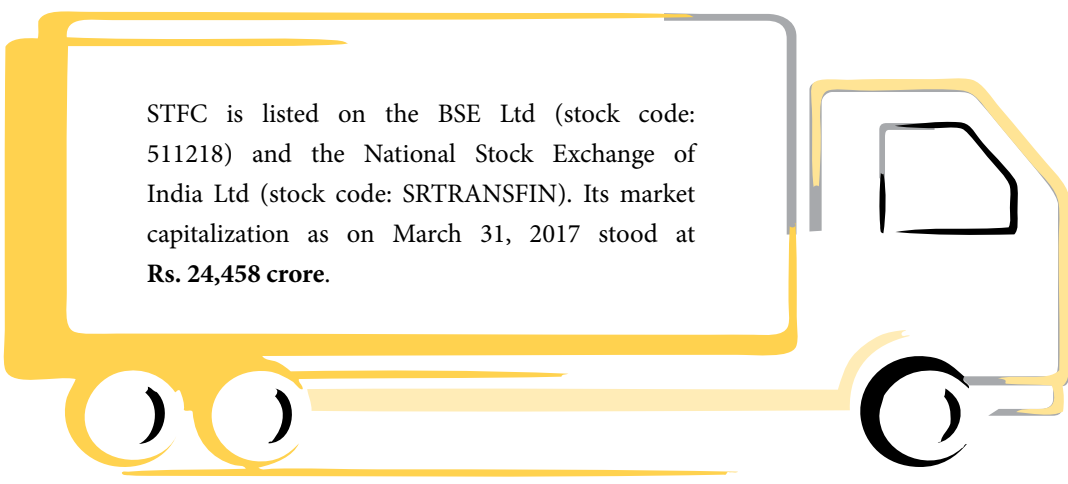
A professionally managed company, STFC has fostered the culture of entrepreneurship across all levels in the organization. Presently, the company is driven by **18,500+** motivated entrepreneurs (including ~10,500 product/credit executives) championing a unique “relationship-based” business model through a pan-India network comprising **918** branches, **854** rural centers and partnerships with ~500 private financiers.



STFC, being a pioneer in pre-owned CV segment, has institutionalized its expertise in loan origination, valuation and collection. Over the years, STFC has created “an ecosystem of empowerment” by expanding its products and services to encompass similar asset classes (pre-owned and new commercial and passenger vehicles, tractors, 3 wheelers, multi-utility vehicles, etc.) and ancillary services (finance for working capital, engine replacement, bill discounting, credit cards and tyre-loans as holistic financing support).



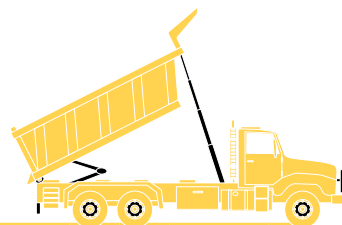
STFC's subsidiary Shriram Automall India Limited owns, operates and manages Automall to provide facilitation services to potential buyers and sellers of pre-owned commercial vehicle. It presently operates 67 Automalls across India.



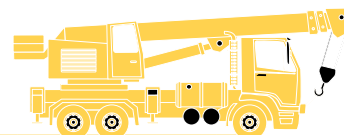
STFC is listed on the BSE Ltd (stock code: 511218) and the National Stock Exchange of India Ltd (stock code: SRTRANSFIN). Its market capitalization as on March 31, 2017 stood at **Rs. 24,458 crore.**

STANDALONE BASIS

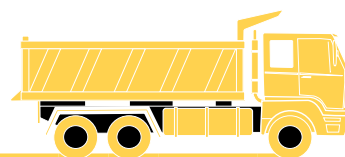
Assets under management **Rs. 78,760.93** crore



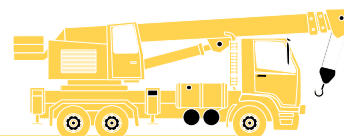
Securitisation done for the year 2016-17 **Rs. 11,214.20** crore



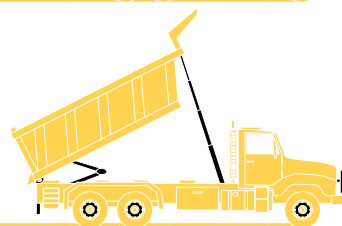
Total income for the year 2016-17 **Rs. 10,830.61** crore



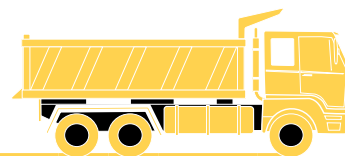
The profit after tax stands at **Rs. 1,257.34** crore



Net interest income for the year 2016-17 **Rs. 5,521.18** crore



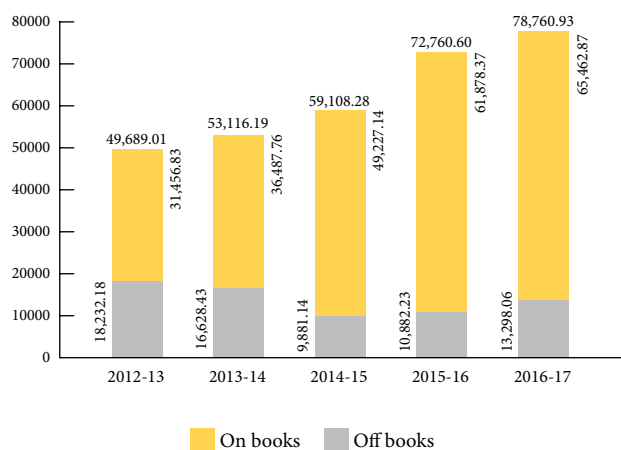
The earning per share stands at **Rs. 55.42**



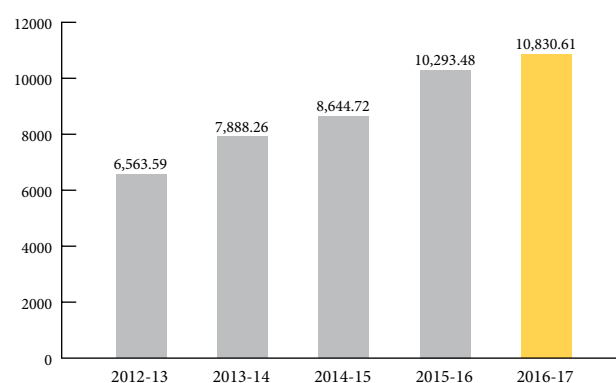
ANNUAL

PERFORMANCE TRENDS STANDALONE BASIS*

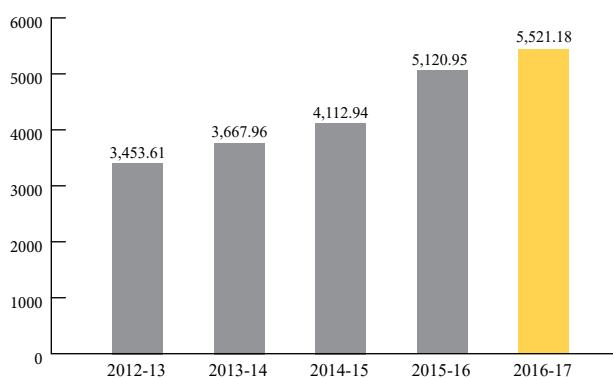
ASSETS UNDER MANAGEMENT (Rs. crore)



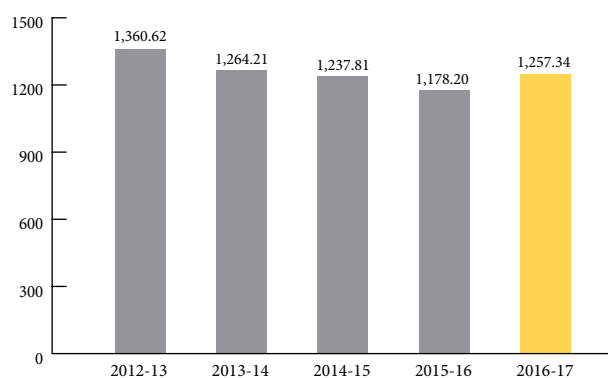
TOTAL INCOME (Rs. crore)



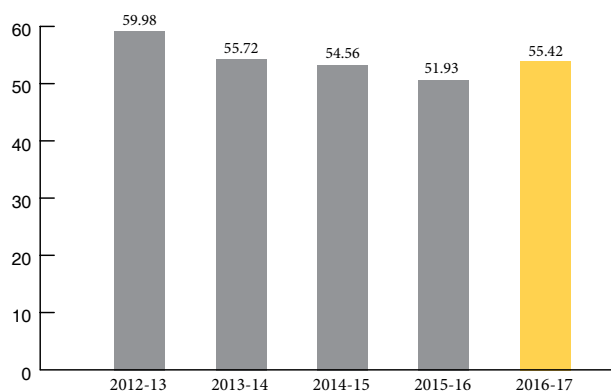
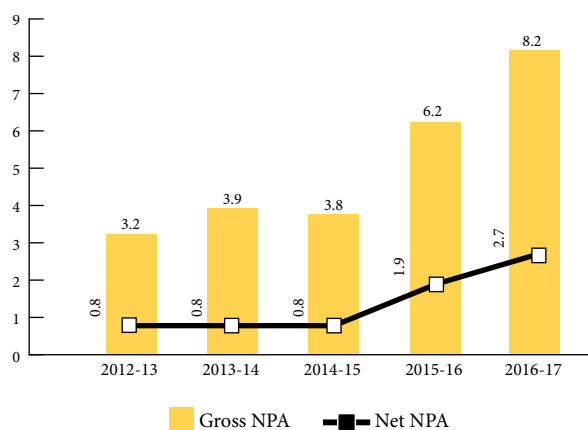
NET INTEREST INCOME (Rs. crore)



NET PROFIT (Rs. crore)

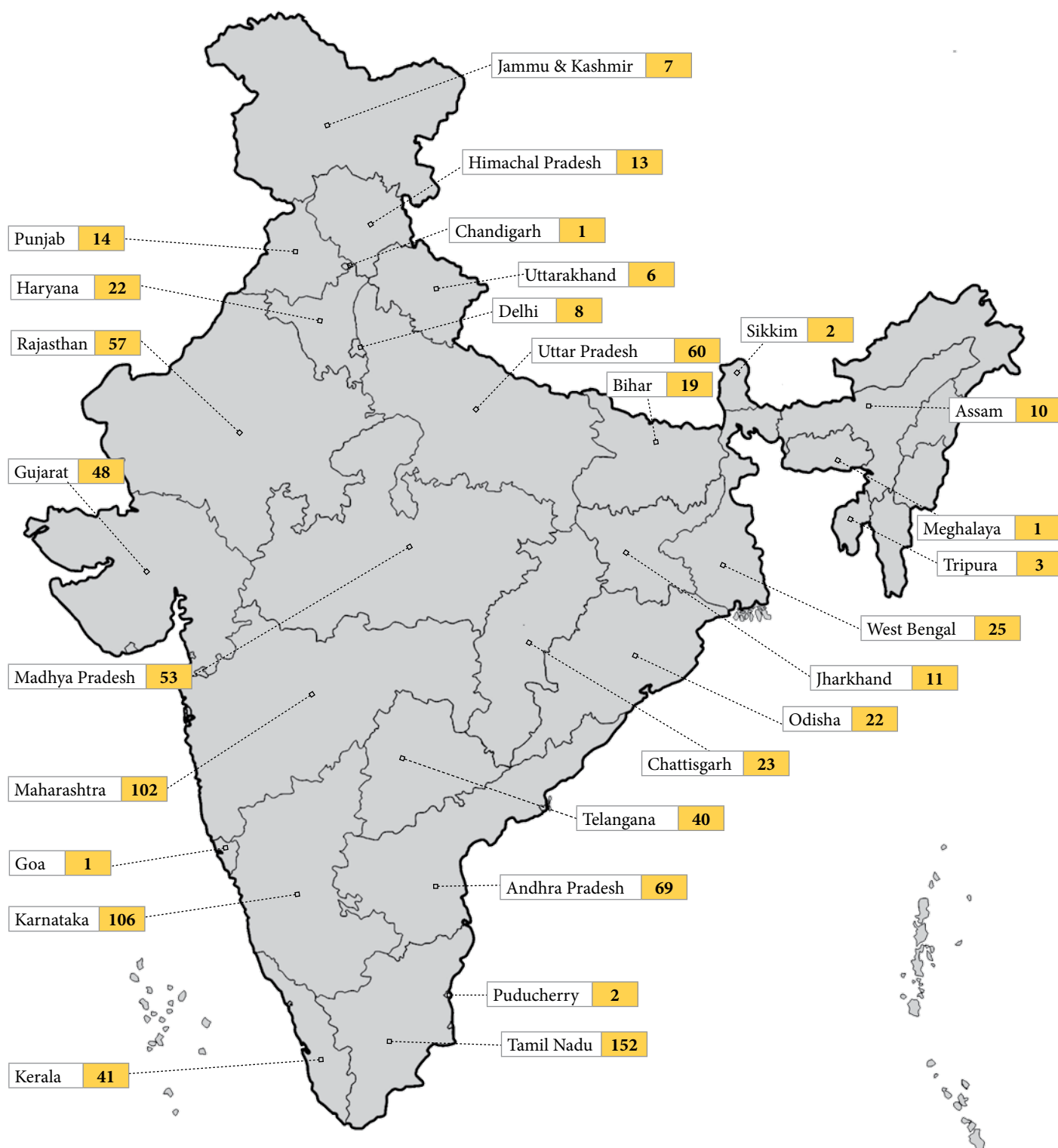


*The standalone financials for 2015-16 and 2016-17 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Company Limited which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for previous years.

EPS (BASIC) (Rs.)

NPA (%)


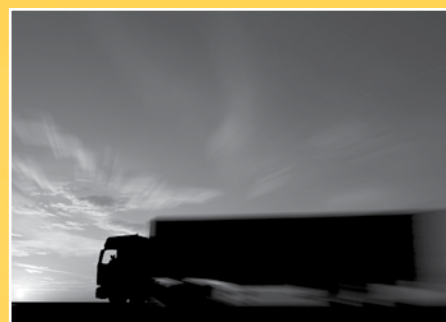
*The standalone financials for 2015-16 and 2016-17 include the performance of erstwhile wholly owned subsidiary Shriram Equipment Finance Company Limited which has been amalgamated with STFC - the Appointed date being April 1, 2015. Hence, the numbers are not strictly comparable with the standalone financials for previous years.

BRANCH NETWORK AS ON MARCH 31, 2017 : 918 BRANCHES



List of branches with addresses is available on the Company's website at the web link:
<http://www.stfc.in/branch-locator.aspx>

Management Discussion and Analysis



GLOBAL ECONOMIC OVERVIEW

Global economic activity and trade picked up modestly from the later part of 2016. Global financial markets were influenced by three events, viz., the US election, expectations and materialisation of the policy rate hike by the Federal Reserve, and uncertainty surrounding the Brexit road map. The US economy bounced back strongly in Q3:2016, due to robust consumer spending and continuing improvement in the labour market. In the UK, economic growth gained momentum in second half of 2016, notwithstanding the uncertainties surrounding the negotiations relating to Brexit, as exports rose substantially following the weakening of the pound. In the Euro area, GDP growth accelerated in second half of 2016. The Japanese economy continued to recover at a modest pace even as the momentum weakened in second half of 2016.

Economic activity in Emerging Markets continued to be divergent. In China, even though year on year GDP growth improved in Q4:2016, the quarter on quarter growth showed a sharp loss of momentum. Economic contraction has eased in Russia with the improvement in the mining and manufacturing sectors, rise in oil prices and policy initiatives.

Crude oil prices rose to a multiyear high in December 2016 after OPEC members agreed to cut production in end-November 2016. Oil prices rose in April 2017 on account of strong demand and uncertainty over the conflict in Syria. Reduced OPEC volumes and stronger US output will result in a deeper discount for US crude and support greater exports from the US to Asia over the coming months.

INDIAN ECONOMIC OVERVIEW

The year was marked by major events namely demonetization of specified bank notes, conclusion of legislative assembly elections in five states, passage of Goods and Services Tax (GST) Bill by the Parliament. On November 8, 2016, the government announced the demonetization of ₹500 and ₹1,000 denomination notes, thereby rendering 86% of the cash in circulation as invalid. The decline in cash in circulation had led to increase in bank deposits with a resultant decline in interest rates on deposits, loans and government securities as well as a decline in real-estate prices, increase in savings, digitalization, income disclosure with a resultant increase in collections by tax and other local authorities. The immediate effect of demonetization was on the daily wages/earnings of the contract and unskilled labourers employed