



Investor Presentation

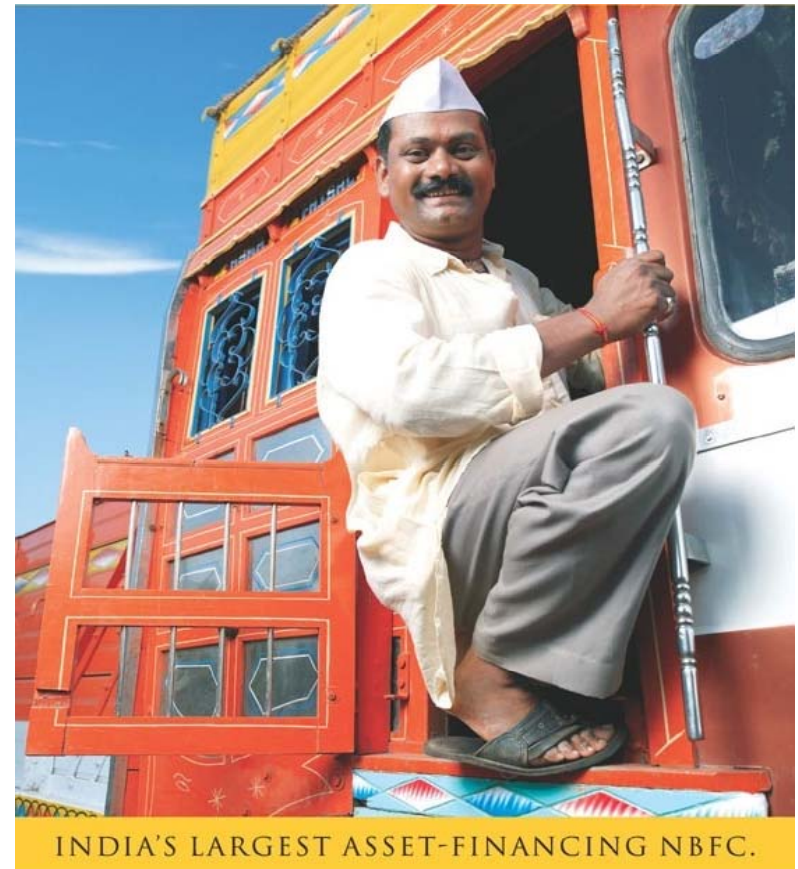
Shriram Transport Finance Company Ltd.



May 13, 2009

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Company Snapshot

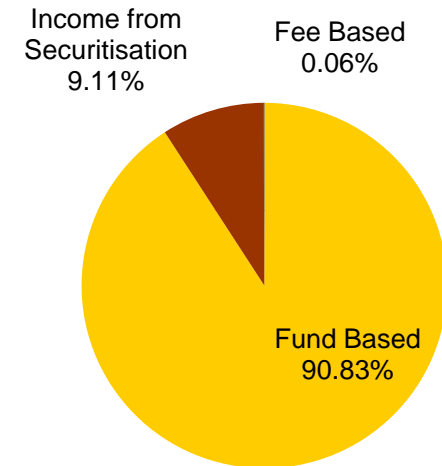
Market Leader in High-Yield Pre-Owned CV Financing Business



- **Largest asset financing NBFC** with 20-25% market share in pre-owned and 7-8% in new truck financing
- **Strategically present in high yield - pre-owned CV financing** with expertise in loan origination, valuation and collection
- **Expanded product portfolio** to include financing of tractors, small commercial vehicles, 3-wheelers, passenger CVs and earth moving construction equipment
- **Large customer base** in excess of 0.6mn
- **Employee strength of 12,196 including 6,055 field officers**
- **Listed on the National Stock Exchange and Bombay Stock Exchange with a market capitalisation of over Rs 50 bn**
- **Equity investment from reputed private equity and institutional investors** like TPG Newbridge, ChryCapital and Axis Bank

Revenue Break Up

FY'09 - Rs 37,228.1 mn



Large Assets Under Management

- Total Assets Under Management of Rs 232.79 bn
 - Pre-Owned CV: Rs 173.83 bn
 - New CV: Rs 58.96 bn

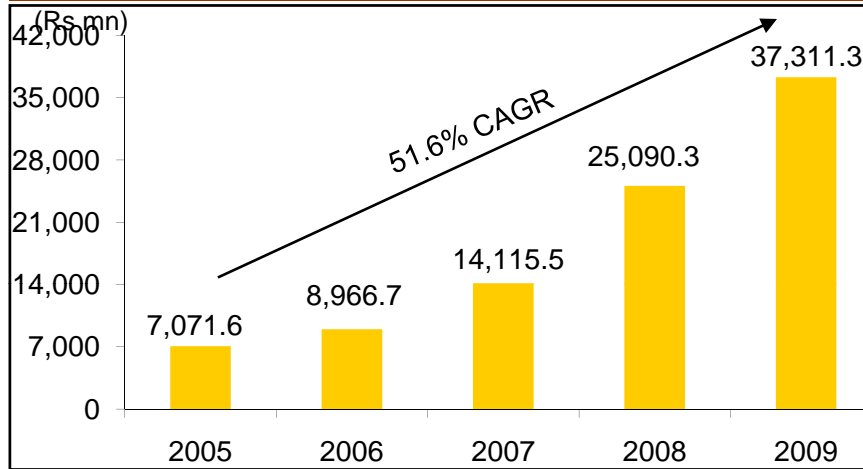
Extensive Distribution Network

- Low-cost pan-India presence through a network of
 - 50 Strategic Business Units (SBUs)
 - 479 branch offices
- Partnerships with 510 Private Financiers

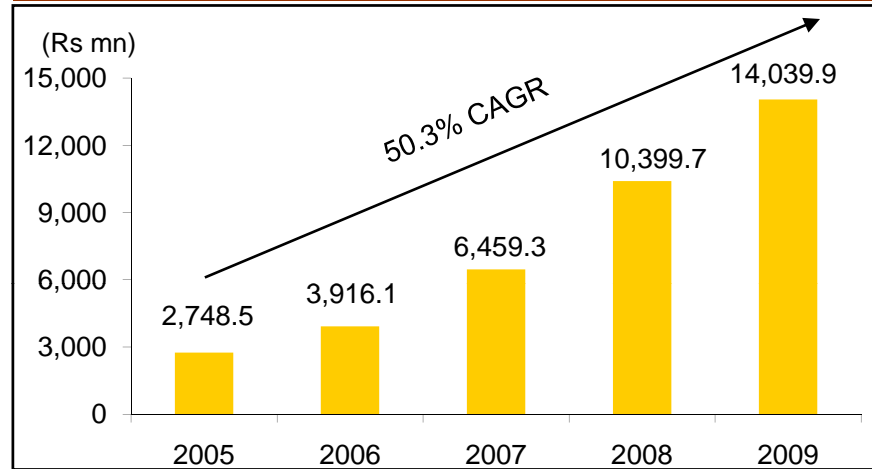
Well positioned for future growth

With a Strong Financial Track Record

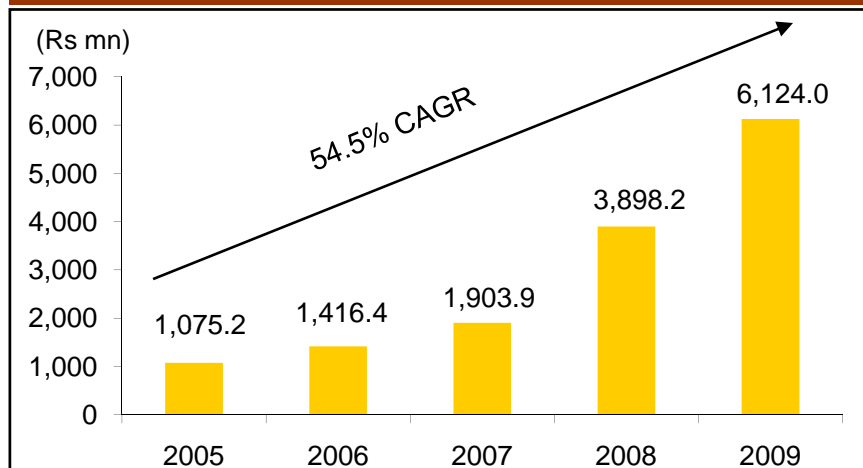
Total Income



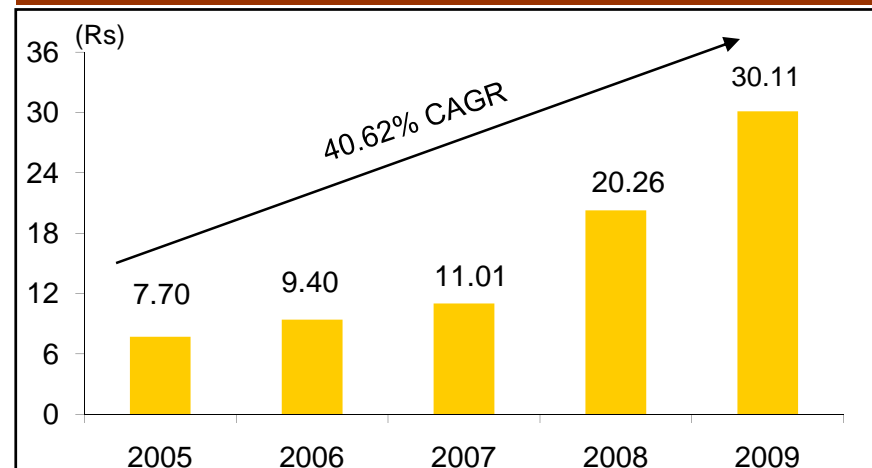
Net Interest Income



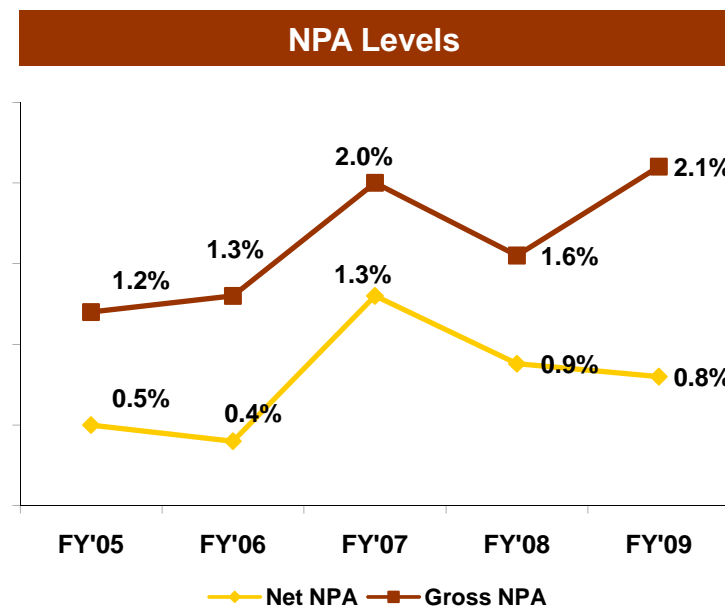
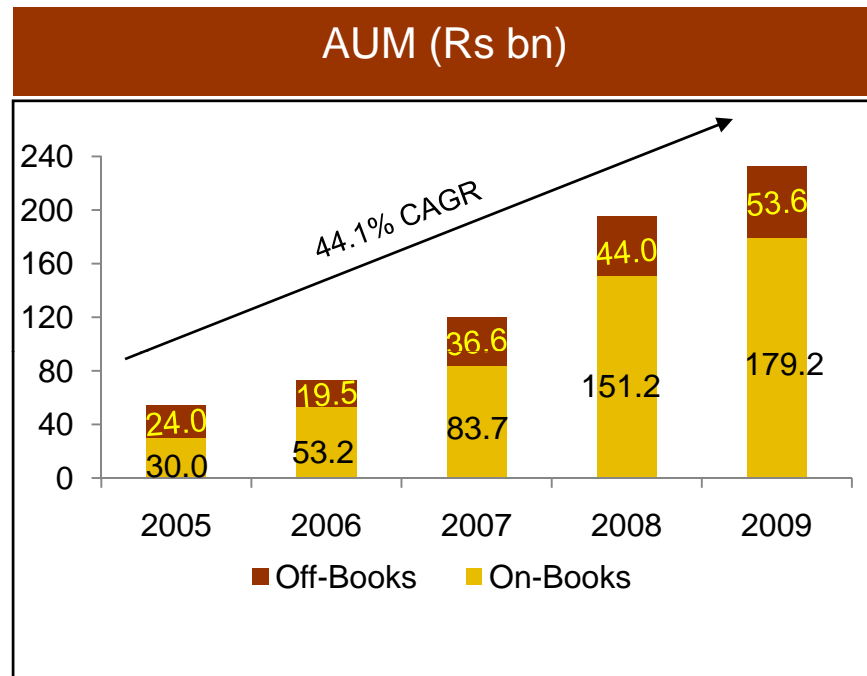
Net Profit



EPS



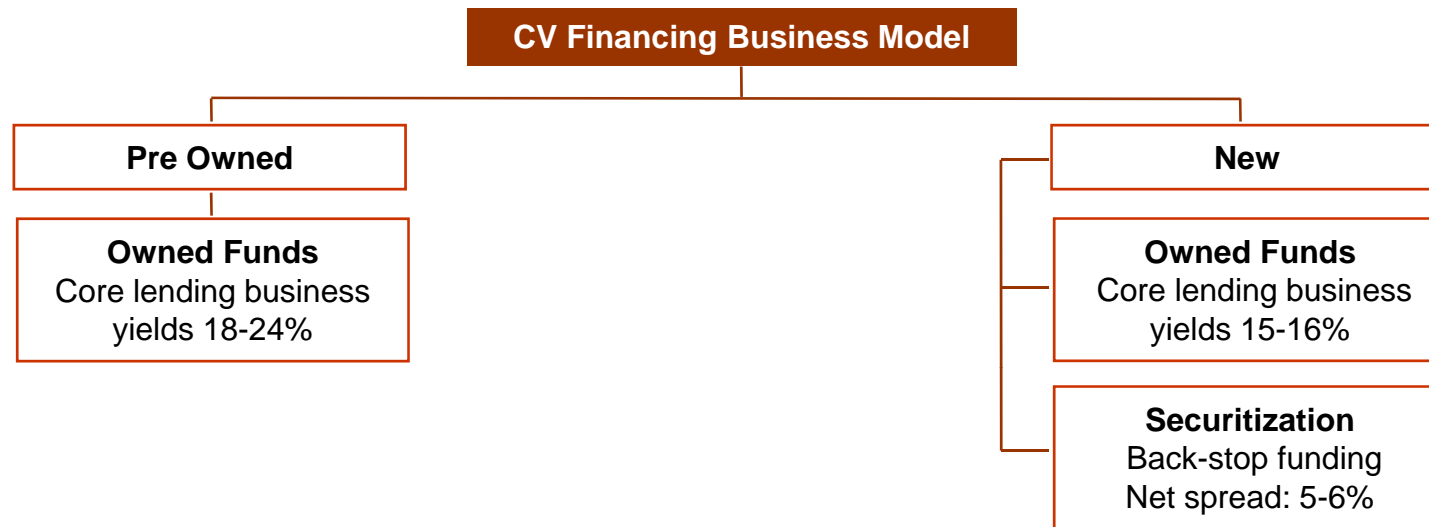
Driven by Fast Growth in AUM with Low NPAs





Business Analysis

Vertically Integrated Business Model with Strong Entry Barriers



Pre-Owned	
Target Segment	<ul style="list-style-type: none"> Developed expertise in financing 5-12 year old trucks Servicing small truck owners (less than 2-3 trucks) with underdeveloped banking habits
Market Share	<ul style="list-style-type: none"> Leadership position with a market share of 20-25%
Performance	<ul style="list-style-type: none"> AUM reached to Rs 173.83 bn at the end of FY'09

New	
Target Segment	<ul style="list-style-type: none"> Existing customer base upgrading to new trucks Allows the company to tap the replacement cycle at the point of sale or exchange i.e. buyer of new truck would be selling the pre-owned truck
Market Share	<ul style="list-style-type: none"> 7-8%
Performance	<ul style="list-style-type: none"> AUM reached to Rs 58.96 bn at the end of FY'09

Wide Reach through a **Pan India Network**

Low Cost Pan-India Presence

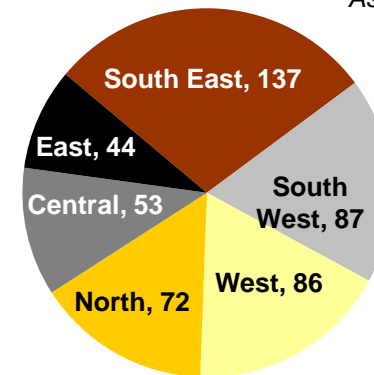
50 SBUs

479 Branch Offices

510 Private Financiers

Regional Split of Branches

As on March 31, 2009



Healthy Asset Quality Inspite of Fast Growth

Prudent Credit Norms

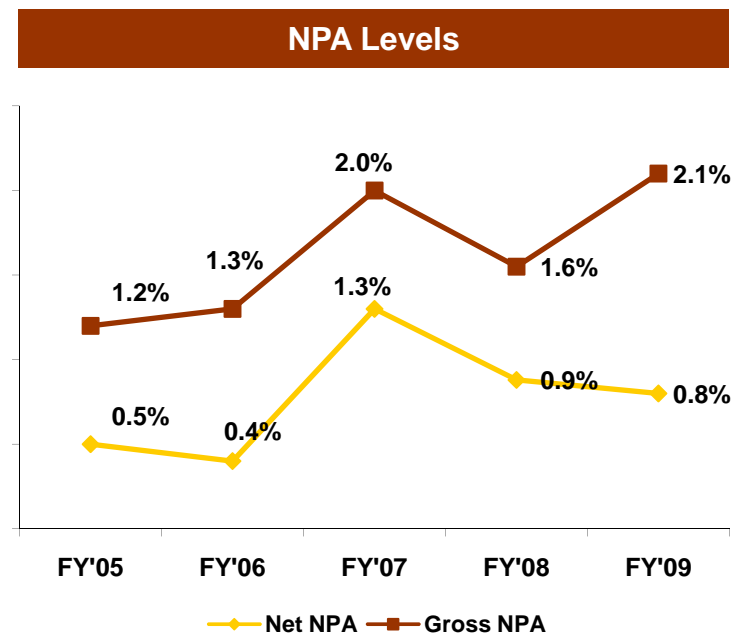
- **Substituted formal credit evaluation tools**, such as IT returns and bank statements, **with personal understanding of the customers' proposed business model**
- **Maintain client and truck-wise exposure limits**
- **Loan-to-value (LTV) ratio at 65%** reducing chances of defaults

Efficient Collection Procedure

- **Direct contact with customers and other market players, avoiding intermediaries**
- **Field officers make regular visits to their customers** for collections
- **Regular updates with regards to the financial position of the customer**, enables the company to take adequate steps to reduce probability of credit loss

Incentive Schemes

- **Well-defined incentive plan** for field officers to ensure low default rates



Reason for **Low Delinquency**



- asset backed lending
- adequate asset cover
- Livelihood
- easy to repossess and immediate liquidity
- operation in state highways and short distance
- carrying essential commodities
- flexibility to shift vehicle from one market to another

With Access to Low Cost Funds

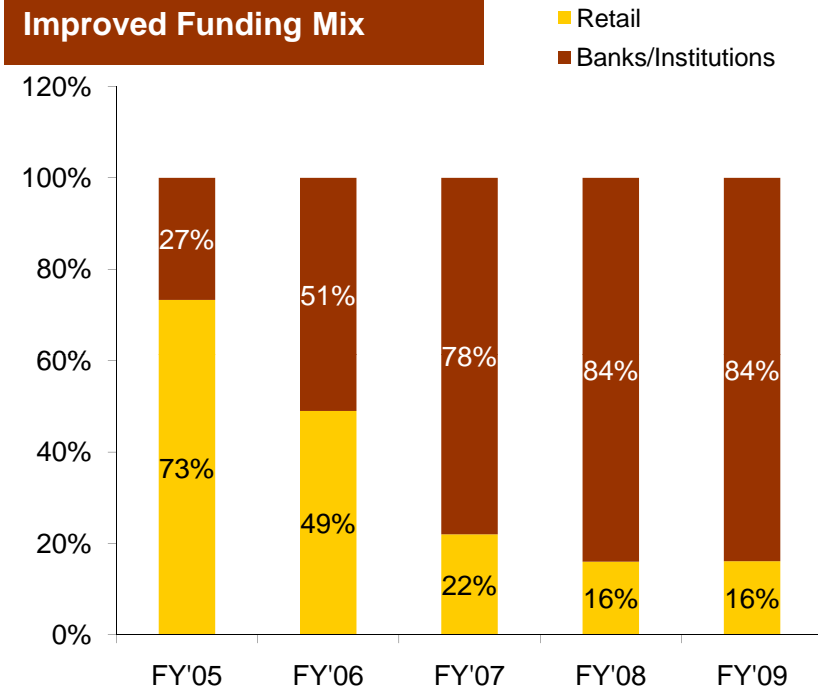
Borrowings

- **Developed a strategic mix of retail deposits and institutional funding**
- **Decline in average cost of funds** from 12.5% in FY'05 to 11.37% in FY'09 with reduction in retail liabilities from 73% in FY'05 to 16% in FY'09
- **Access to fixed rate long term loans of 3 - 5 years** due to strong relationships with public, private sector and foreign banks

Securitization

- **Securitization of loan book at regular intervals** to fund new originations and maintain growth momentum. Securitized assets portfolio stands at Rs 53,109.3mn at the end of FY'09
- **Conservative recognition of income** on account of amortisation of securitization income over the tenor of the agreements

Improved Funding Mix



Credit Ratings

- **Long term rating - AA+ from CARE & AA from FITCH.**
- **Highest short term rating - F1+ from Fitch & P1+ from CRISIL.**

Well capitalized balance sheet providing access to low cost funds

Raised Adequate Equity to Sustain Growth

- **Consistent track record and high growth potential has attracted reputed institutional and private equity investors** to infuse growth capital
- **Raised Rs 6,000mn through preferential allotment** of equity shares and optionally convertible warrants at a price of Rs 300 per share in December, 2007

Key Shareholders	Current (Mn)	% age
Promoters + TPG Newbridge	85.37	41.95%
Chrys Capital	31.60	15.53%
Citicorp Finance	7.81	3.84%
Genesis India	6.84	3.36%
Blue Ridge Ltd and Affiliates	6.80	3.35%
Axis Bank	2.50	1.23%
Public and Others	65.09	31.97%
Total	203.51	100.00%

Note: As on March 31, 2009

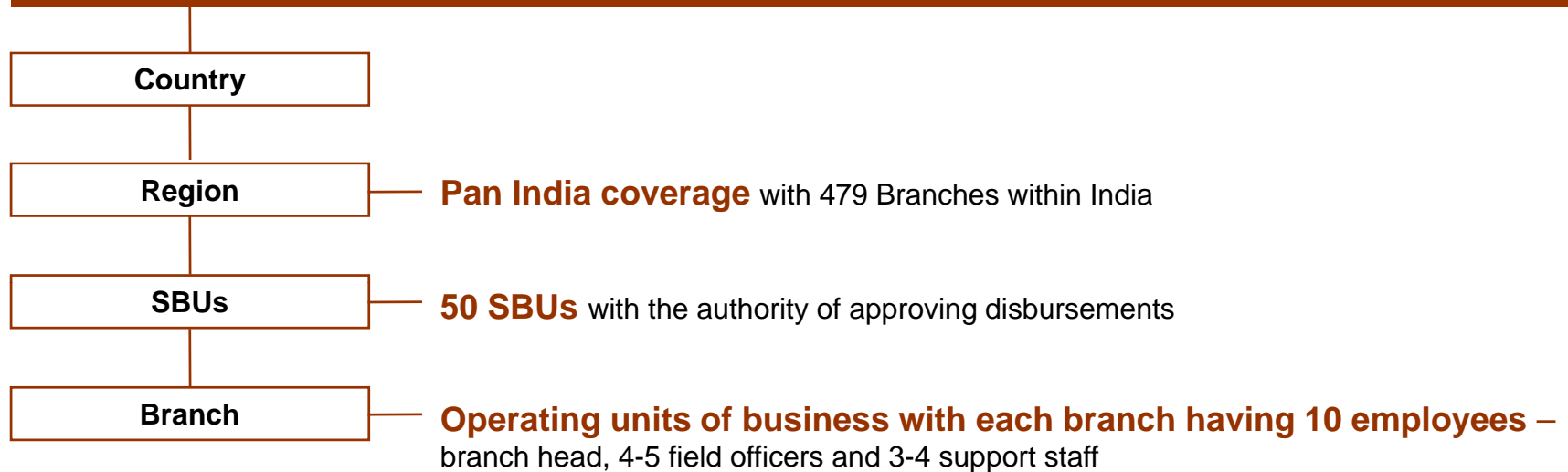
Large Investments by major Institutional and Private Equity Investors



Organisational Structure and Management

Well Defined Organisational Structure

Organisation Structure



Clearly Demarcated Responsibilities

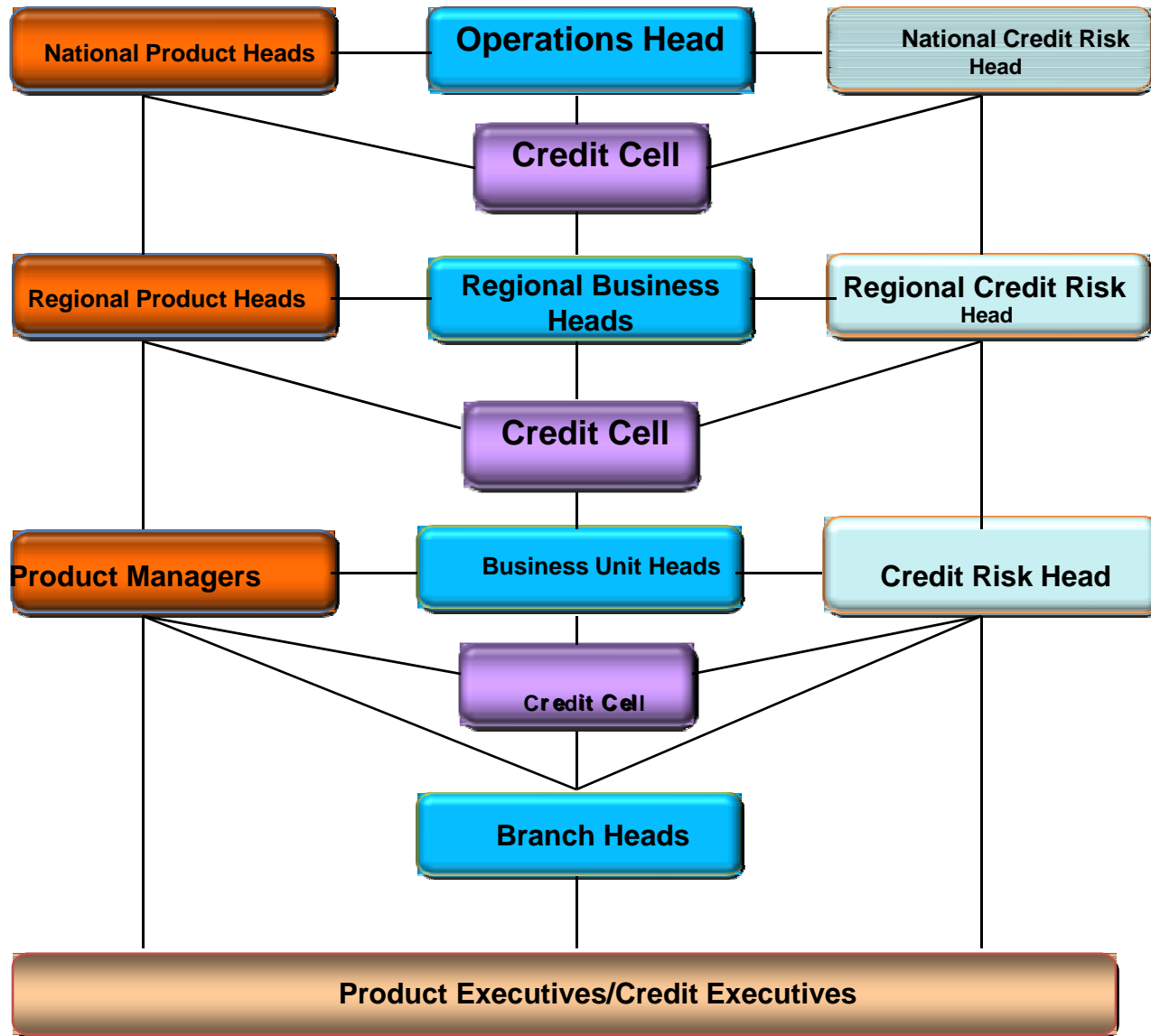
Field Offices: Direct contact points with customers for vehicle inspection & primary valuation, sales-lead generation, and collection & repossession in the case of default.

Branch Officer: Deciding the credit worthiness of individuals and arranging the necessary documentation

SBU Head: Final deciding authority for disbursement

Customer Focused Approach

New Organization Structure



With a Strong Management Team

Enjoys very low employee turnover as compared to industry standards

Over 50% of compensation is variable, **acting as strong incentive throughout the ranks as everyone's compensation** depends on the performance of those directly reporting to him/her

Initiated **ESOP scheme** to further lower the turnover rate and foster loyalty

R. Sridhar

Managing Director

- Over two decades of experience in financial services sector, especially in commercial vehicle financing
- Joined Shriram Group in 1985 and is serving as the Managing Director since September 2000
- Holds directorship in other Shriram Group companies
- Fellow member of the Institute of Chartered Accountants of India

Umesh Revenkar

Executive Director –
Operations

- Joined as an Executive Trainee in 1987
- Looks after operations of CV finance business
- Holds a degree in MBA Finance

Parag Sharma

President – Finance

- Joined in 1992 and now heads the Finance function
- Over 17 years experience in finance industry
- A qualified Cost Accountant

Strong Board of Directors

Arun Duggal

Chairman

- Experienced International Corporate Business Advisor on financial strategy, M&A and capital raising
- Held important positions in Bank of America during his 26 years' tenure at various locations including New York, San Francisco, Tokyo, Hong Kong, London, Manila and New Delhi
- Presently, Board of Director of Jubilant Energy Ltd., Patni Computers, Fidelity Fund Management, InfoEdge, LNG Petronet, Dish TV India, Hertz (India), Shriram Properties, Shriram City Union Finance, Shriram EPC Ltd. etc
- Served as the Board of Governor of National Institute of Bank Management and as Chairman of the American Chamber of Commerce, India
- Founder Director of Bellwether Microfinance Fund and senior Advisors to Transparency International (Asia Pacific).

R Sridhar

Managing Director

- Over two decades of experience in financial services sector, especially in commercial vehicle financing
- Joined Shriram Group in 1985 and is serving as the Managing Director since September 2000
- Holds directorship in other Shriram Group companies
- Fellow member of the Institute of Chartered Accountants of India

Adit Jain

Director

- Currently Managing Director of IMA India and a Non-Executive Director on the Board of Sanmar Group, International Assets Reconstruction Company and PR Pundit
- Earlier served as VP and Head of M&A at Lazard India and Strategy Director with Stag Holdings Plc, UK.
- Holds degrees in Mechanical Engineering and Business Administration

S Venkatakrishnan

Director

- Retired IA & AS. Served at senior positions in Finance Audit & Accounts department of the government and other public undertakings
- Serving as Advisor of Shriram Transport Finance for over a decade
- Also on the Board of other Shriram Group companies

Mayashankar Verma

Director

- Former Chairman of State Bank of India, Mr. Verma is a career banker with nearly five decades of experience in Indian financial sector
- Held various critical positions as Advisor to RBI, Chairman IDBI Bank and Chairman TRAI
- Currently serves as Director on the Board of several Public and Private sector companies
- Chairman of International Asset Reconstruction Company Pvt Ltd, SREI Infrastructure Finance Ltd, The Bellwether Micro Finance Ltd and Asian Heart Institute and Research Center

Mukund Manohar Chitale

Director

- Practicing Chartered Accountant. Former President of Institute of Chartered Accountants of India
- Former Public Representative Director on the Stock exchange, Mumbai
- Serves as Director on the Boards of L&T Ltd, ASREC (India) Ltd, Ram Ratna Wires Ltd, ONGC, Mangalore Petrochemicals Ltd. and Itz Cash Card Ltd
- Chairman of PNB Asset Management Co Pvt Ltd

Strong Board of Directors

<p>Puneet Bhatia Director</p>	<ul style="list-style-type: none"> ▪ Partner of TPG Capital and country Head – India for TPG’s Asian Business. ▪ Former Chief executive of the Private Equity Group for GE Capital India, handling portfolio of over dozen companies aggregating investments of over \$100mn ▪ Worked with ICICI Ltd. in its Project and Corporate finance group and with Crosby Securities as Senior Analyst ▪ Holds a degree in Commerce and an MBA from IIM, Kolkata
<p>Ravindra Bahl Director</p>	<ul style="list-style-type: none"> ▪ Over 30 years of experience primarily in financial services ▪ Former Citibank Country Manager for Retail Banking in India and Indonesia and a member of its Global Corporate Property Group that constituted the top 250 Citibank leaders around the globe ▪ Built and managed the Indian operations of eFunds, a transaction processing company ▪ Holds a degree in English Literature and an MBA from IIM, Kolkata.
<p>Ranvir Dewan Director</p>	<ul style="list-style-type: none"> ▪ Senior Principal and Advisor to TPG NewBridge Capital ▪ Served as an Executive VP and Chief Financial Officer of Standard Chartered First Bank in Seoul, Korea, for 6 yrs ▪ 13 year stint with Citibank, holding various senior positions in its international businesses ▪ Fellow member of the Institute of Chartered Accountants in England & Wales and a member of the Canadian Institute of Chartered Accountants
<p>Sanjay Kukreja Director</p>	<ul style="list-style-type: none"> ▪ Currently working with Chrys Capital. Has been instrumental in deploying over \$ 200mn across the financial services sector ▪ Also on Board of Directors of Titagarh Wagons Ltd and Spanco Telesystems Ltd ▪ Holds a degree in Economics from Shri Ram College of Commerce and an MBA from IIM, Bangalore. He has also completed an executive leadership course from ISB, Hyderabad
<p>Dr. T.S. Sethurathnam Director</p>	<ul style="list-style-type: none"> ▪ Former Chairman of M.P. Electricity Board. Held various senior positions in his 35 years stint with the Board ▪ Also served as Chairman of Western Regional Electricity Board, Chief Consultant to Power Finance Corporation, Consultant to Houston Industries, Arthur Anderson and various other companies ▪ He was in the past nominated by almost all financial Institutes as Nominee Director/Chairman to many Public Limited Companies. He is also presently serving as Director/Chairman by a few Public Limited Companies. ▪ Fellow Member of Indian Council of Arbitration and also Member of Management Consultancy of Turin, Canada, Member of The Institute of Management Consultants of India, Member of Institute of Training and Development.
<p>Sumatiprasad M. Bafna Director</p>	<ul style="list-style-type: none"> ▪ Has extensive experience and a firm base in the transportation business ▪ Holds Dealership of Tata Motors, Honda, Hyundai and Maruti ▪ He is the Chairman of Rushabh Motors Pvt. Ltd.. He is the Chairman cum Managing Director of Bafna Motors (Mumbai) Pvt. Ltd and the Managing Director of Bafna Motors Ltd .He currently serves on the board of directors of Seva Finance Ltd, Seva Transport Pvt. Ltd, Isuta Electronics (India) Ltd, Bafna Motors (Ratnagiri) Pvt Ltd, Kishore Transport Services Pvt. Ltd.

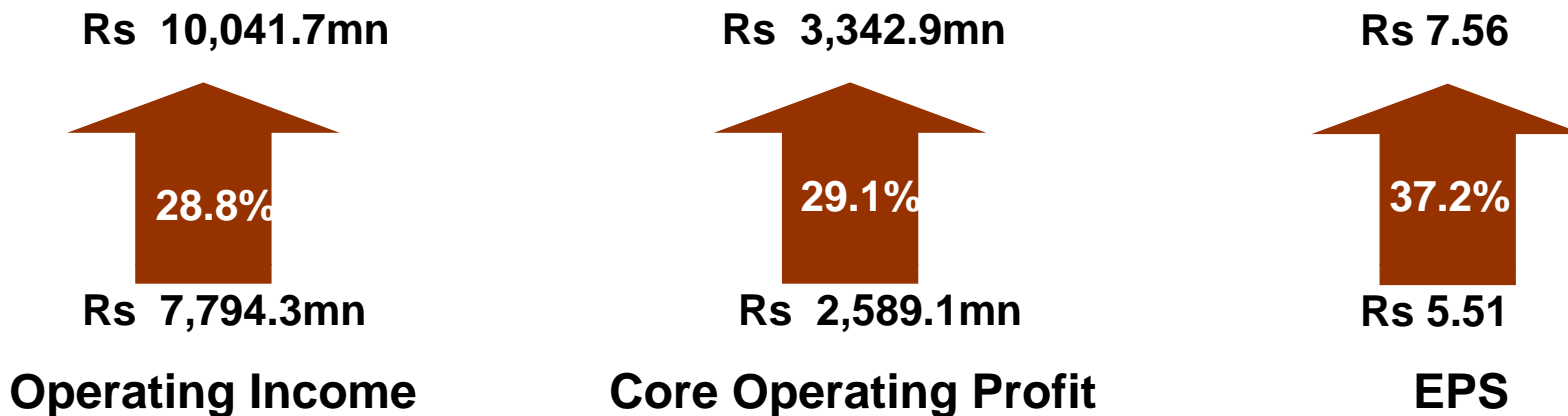


Recent Performance

Sustained Quarterly Growth Trend Continues



Performance Review Q4 FY'09 Vs. Q4 FY'08

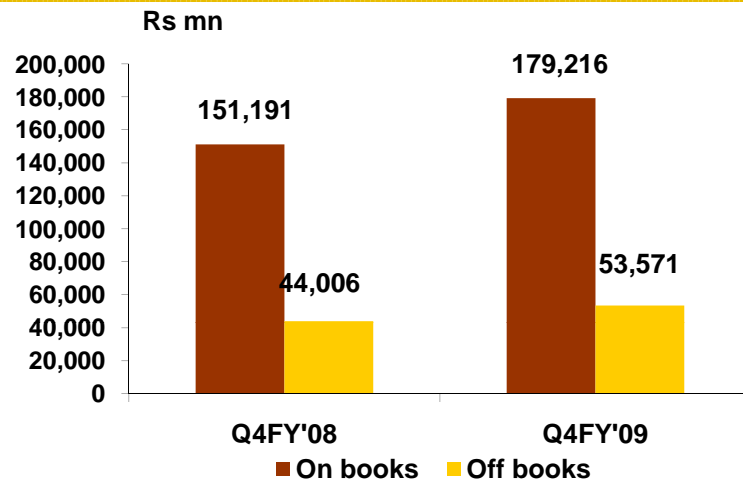


- ➔ Strong growth in operating income driven by growth across key revenue streams:
 - ✓ Fund-based Income up 26.9% to Rs 9,033.5 mn from Rs 7,121.1mn
 - ✓ Securitisation Income up 51.3% to Rs 1,005.2 mn from Rs 664.3 mn (securitised asset portfolio of Rs 17,204 mn during Q4FY'09)
- ➔ Growing core operating profits by 29.1% to Rs 3,342.9 mn from Rs 2,589.1mn
- ➔ Net spread increased marginally to 4.11% from 4.07% due to
 - ✓ Reduction in NPA provisioning to 1.73% from 1.88%
- ➔ Healthy asset quality with Gross NPAs increased marginally to 2.14% from 1.91% (QoQ) and Net NPAs declining to 0.83% from 0.90%

Driven by Growing Disbursements & AUM



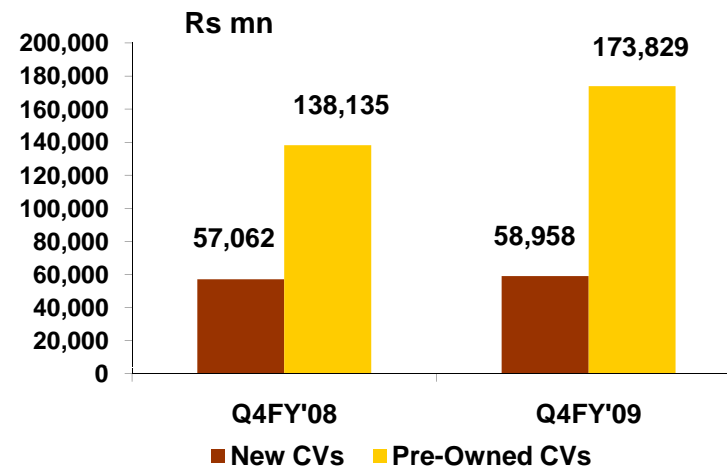
Assets under Management (On books & Off books)



➔ 19.3% growth in total Assets under Management to Rs. 232.79 bn

Assets under Management (New & Pre-owned CVs)

➔ 74.7% of total Assets under Management in pre-owned CV to Rs 173.83 bn

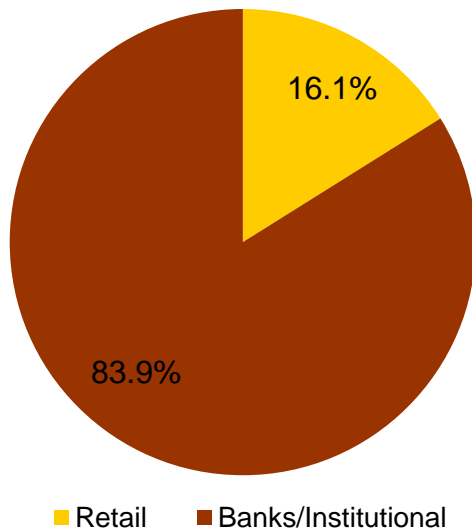


Supported by a Healthy Borrowing Profile

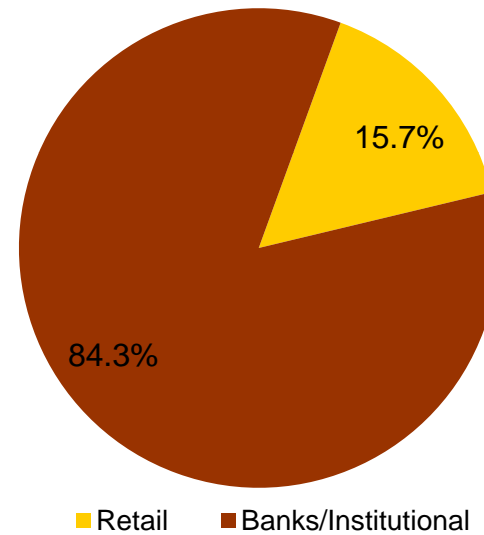


Borrowing Profile

Q4 FY'08 – Rs 147.73 bn



Q4 FY'09 – Rs 201.19 bn





Industry **Opportunity**

Exponential Growth in CV Financing

- **Large CV Financing** market size of Rs 610bn
- **Shriram targets the largest market segment of 5-12 years**, accounting for 35% of the total market volume
- **Market for second hand truck financing is under penetrated with 70-75%** of the market with private financiers who charge high interest rates

Sustained Growth Expected to Continue

Modernization of trucking industry

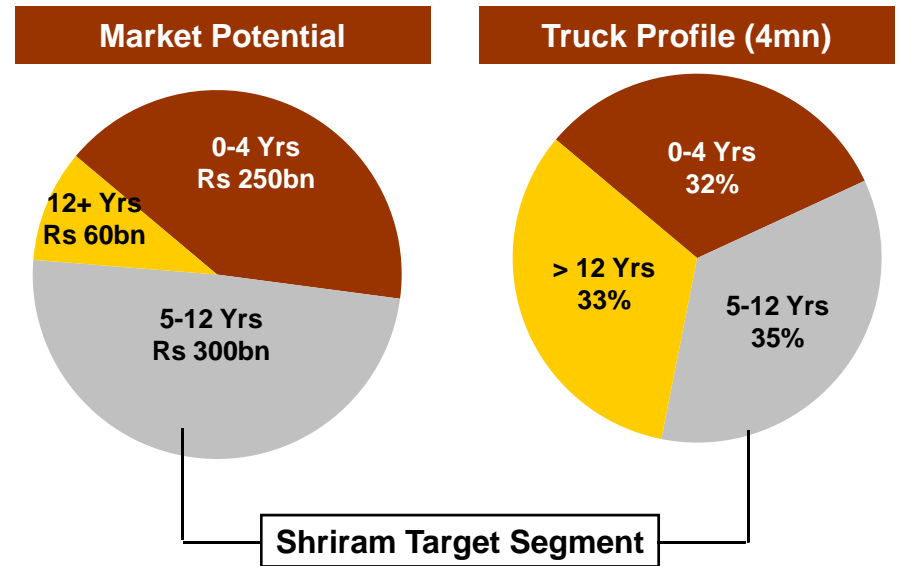
- Legislative pressure on banning trucks beyond 15 years is likely to trigger replacement boom
- Transport associations' introduction of Voluntary Retirement Scheme for old trucks with better financing options
- Financing amount of Rs 1,078bn to be triggered through replacement demand for 1.1mn new as well as pre-owned trucks

Stricter emission norms expected to generate huge demand for 5-12 year old trucks

- Bharat III emission norms already implemented in 11 major cities
- Norms are likely to be implemented in the rest of the country over 2008-10

Growing freight capacity

- GDP growth rate driving incremental freight capacity which is estimated to increase at 1.25 times of GDP growth.



Only Organised Player in the Second Hand Truck Financing Market

Exponential Growth in CV Financing

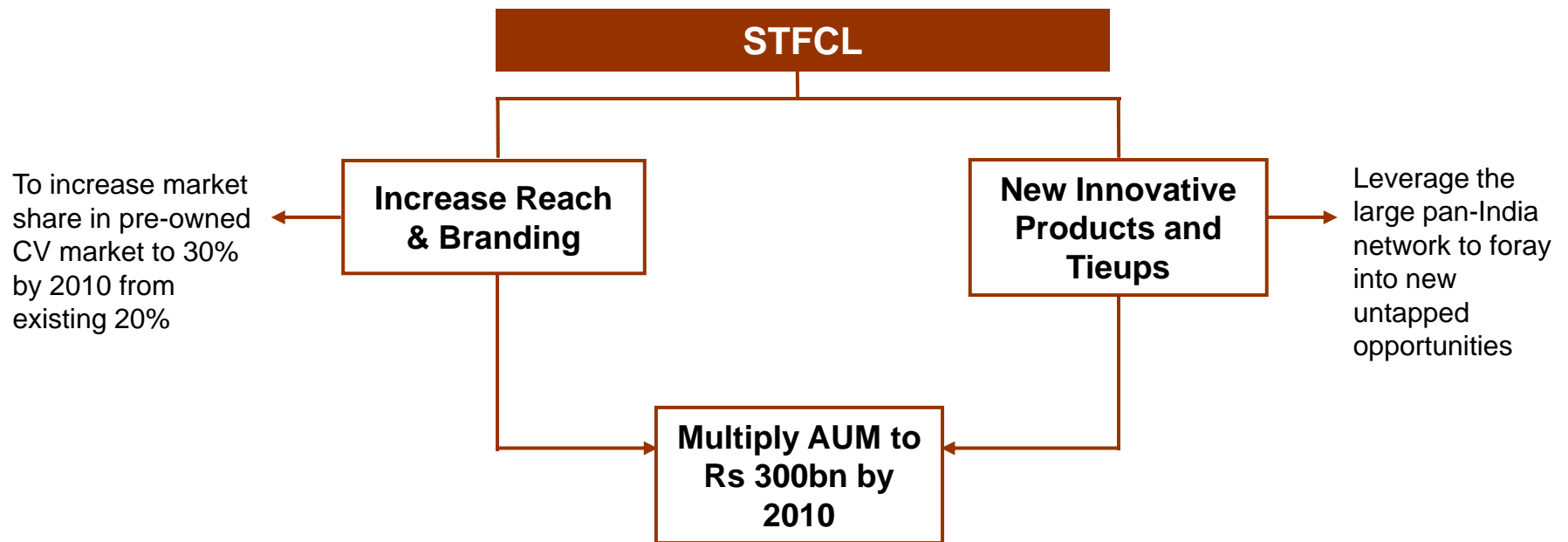
- **STFC pre-owned CV portfolio** at Rs. 170 bn representing 20% of market size
- **Market segment of pre-owned CV estimated** around Rs. 1,000 bn
- **Market for second hand truck financing is under penetrated with 75-80%** of the market with private financiers which has not been refinanced
- **STFC to increase its market share in pre-owned CV** by partnering with private financiers
- **STFC has already partnered** with 510 private financiers out of 25,000 (app) private financiers

Only Organised Player in the Second Hand Truck Financing Market



Growth Plans & Strategy

Target to reach AUM to Rs 300bn by FY'10



Well Planned Strategy for Future Growth

Truck Bazaar



- Like new vehicles are sold through showrooms, STFC is creating a market for pre-owned trucks through “Truck Bazaars” held in every branch once in a month.
- STFC finances around 25,000 second-hand vehicles a month which roughly works out to 1,000 vehicles a day. The buying and selling transaction is done independently by the truckers while STFC come at the end to fund the transaction. Now STFC wants to do the transaction itself.
- We are facilitating a medium for buyer and seller to meet.

Through a **Focused Approach**

Expanding the Pre-Owned CV Segment

Extended financing to 12-year-old vehicles from 10-year-old trucks at present.
Introduced top-up products such as finance for tyres, working capital and engine replacement.
Adopted strong brand building approach to increase visibility and recognition.

Leveraging Private Financiers

Built partnership with private financiers in the unorganized market to enhance market share.
Partnered with 510 private financiers.

Axis Bank co-branded credit cards

Tied up with Axis Bank to distribute credit cards to small truck owners.
Distributed 43,000 credit cards.

Freight Bill Discounting

Estimated market size of Rs 60-70bn with yield higher than the existing CV financing business.
Target to reach 10% market share.

Passenger Commercial Vehicle Financing

Established market size of Rs. 70 bn for FY 09 backed by growth in population and an improving road infrastructure.

Expanding the Existing Business

Through a **Focused Approach**

Tractor Financing

Market experiencing growth with increasing policy thrust on agricultural mechanization. The used tractor financing market is estimated at Rs192bn in FY09.

Construction Equipment Financing

Market expected to grow at an annual rate of 30% to reach over 300bn in 2010 driven by huge infrastructure spending during the 11th 5-Year Plan estimated at approximately Rs 20tn.

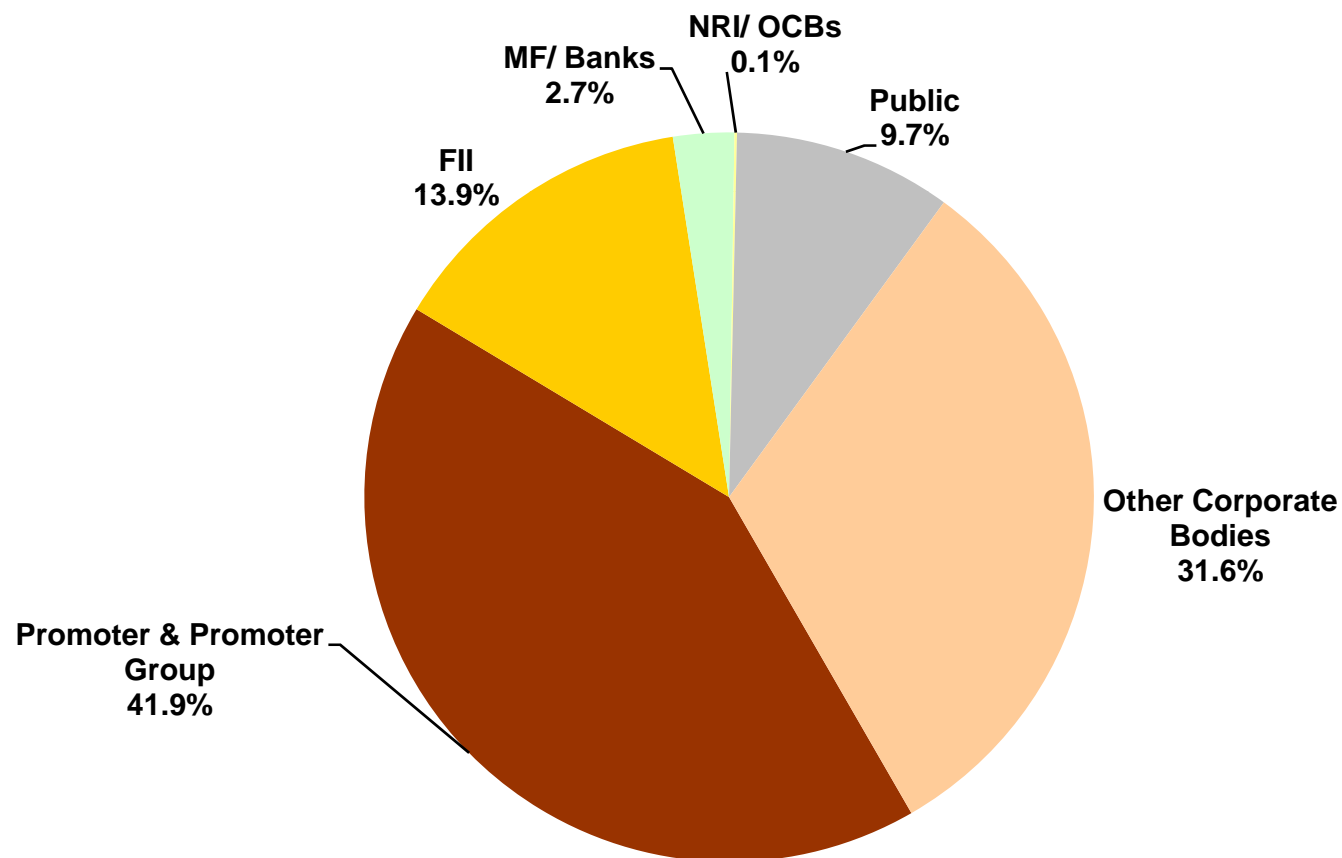
Leveraging the Existing Network to Expand the Product Portfolio



Annexures

Shareholding Structure as on 31st. March, 2009

No. of shares outstanding: 203.51mn



Profit and Loss Statement

Profit & Loss Statement	<i>Rs mn</i>							
	Q4 FY'08	Q3 FY'09	Q4 FY'09	YoY %	QoQ %	FY'08	FY'09	YoY %
Income from Financing operations								
- Fund Based	7,121.1	8,925.0	9,033.5	26.9%	1.2%	23,365.9	33,816.6	44.7%
- Income from Securitisation	664.3	849.6	1,005.2	51.3%	18.3%	1,658.4	3,389.6	104.4%
- Fee based	8.9	5.5	3.0	-66.5%	-45.9%	58.1	21.9	-62.2%
Other Operating Income								
Operating Income	7,794.3	9,780.1	10,041.7	28.8%	2.7%	25,082.4	37,228.1	48.4%
Interest expended	3,933.9	5,541.9	5,264.8	33.8%	-5.0%	12,966.2	19,776.7	52.5%
Personnel cost	403.3	511.6	503.0	24.7%	-1.7%	1,254.8	2,005.4	59.8%
Operating expenditure	868.0	781.6	931.0	7.3%	19.1%	2,344.1	3,265.4	39.3%
Core Operating Profit (before Provisions & Contingencies)	2,589.1	2,945.0	3,342.9	29.1%	13.5%	8,517.3	12,180.6	43.0%
Other Income	(0)	75.7	1.2	-2667.0%	-98.5%	7.9	83.2	953.9%
Operating Profit	2,589.1	3,020.7	3,344.1	29.2%	10.7%	8,525.2	12,263.8	43.9%
Provisions for Bad Debts	816.2	751.6	993.6	21.7%	32.2%	2,466.9	3,057.5	23.9%
PBT	1,772.9	2,269.1	2,350.5	32.6%	3.6%	6,058.3	9,206.3	52.0%
Tax	654.3	776.0	812.0	24.1%	4.6%	2,160.1	3,082.3	42.7%
PAT	1,118.6	1,493.1	1,538.5	37.5%	3.0%	3,898.2	6,124.0	57.1%
EPS (Rs)	5.51	7.34	7.56	37.2%	3.0%	20.26	30.11	48.6%
Book Value (Rs)	89.41	110.88	113.82	27.3%	2.7%	89.41	113.82	27.3%
Key Ratios (%)	Q4 FY'08	Q3 FY'09	Q4 FY'09			FY'08	FY'09	
Yield on Interest earning assets	17.24%	17.74%	16.52%			17.46%	17.24%	
Cost of interest bearing Liabilities	10.62%	12.37%	10.79%			10.82%	11.37%	
Net Interest Margin	7.72%	6.72%	6.89%			7.77%	7.16%	
Return on Avg. Net Worth	24.76%	27.23%	26.91%			25.55%	29.11%	
Return on Avg. Assets	2.57%	2.84%	2.69%			2.77%	2.99%	
Fee-Income % of Total income	0.46%	0.22%	0.12%			0.23%	0.06%	
Interest Coverage Ratio	198.13%	177.84%	190.76%			193.51%	188.66%	

Balance Sheet

	<i>Rs mn</i>		
	Q3 FY'09	FY'08	FY'09
Balance Sheet			
Liabilities			
Shareholder Funds			
Equity Capital	2,035.4	2,031.6	2,035.4
Reserves	20,532.1	16,132.0	21,131.0
Preference Capital			
Loans			
Secured	138,846.4	115,449.5	167,726.9
Unsecured	33,571.3	32,280.8	33,467.2
Current Liabilities	17,116.0	15,191.2	21,605.4
Deferred Tax Liability	183.8	359.2	-
Total	212,285.0	181,444.3	245,965.9
Assets			
Fixed Assets	1,401.3	1,426.4	1,342.7
Loans & Advances	748.9	688.6	690.9
Cash & Bank balances	19,891.1	12,502.5	53,649.9
Investments	381.7	13,851.2	6,554.1
Truck receivables	186,665.8	151,191.3	179,215.7
Deferred Tax Assets	-	-	263.9
Current Assets	3,196.2	1,784.3	4,248.7
Total	212,285.0	181,444.3	245,965.9
Spread Analysis	Q4 FY'08	FY'08	FY'09
Total Income/ Avg. total assets	17.92%	17.84%	18.21%
Interest cost/ Avg. total assets	9.05%	9.22%	9.65%
Gross Spread	8.87%	8.62%	8.56%
NPA provisioning/ Avg. total assets	1.88%	1.75%	1.49%
Overhead Cost/ Avg. total assets	2.92%	2.56%	2.57%
Net Spread	4.07%	4.31%	4.50%

For any **Investor Relations queries** please contact

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THANK YOU

About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of over Rs 232.79 bn. The company is a leader in organized financing of pre-owned trucks with strategic presence in 5-12 year old trucks and a market share of 20-25%. It has a pan-India presence with a network of 50 SBUs and 479 branches, and employs 12,196 employees including 6,055 field officers. The company has built a strong customer base of over 0.6mn. Over the past 30 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. The company is supported by strong institutional investors like TPG New Bridge, Chrys Capital, Tiger Global, Blue Ridge, & Axis Bank providing it growth capital support. For more information please visit www.stfc.in

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.