

Shriram Transport Finance Company Ltd.



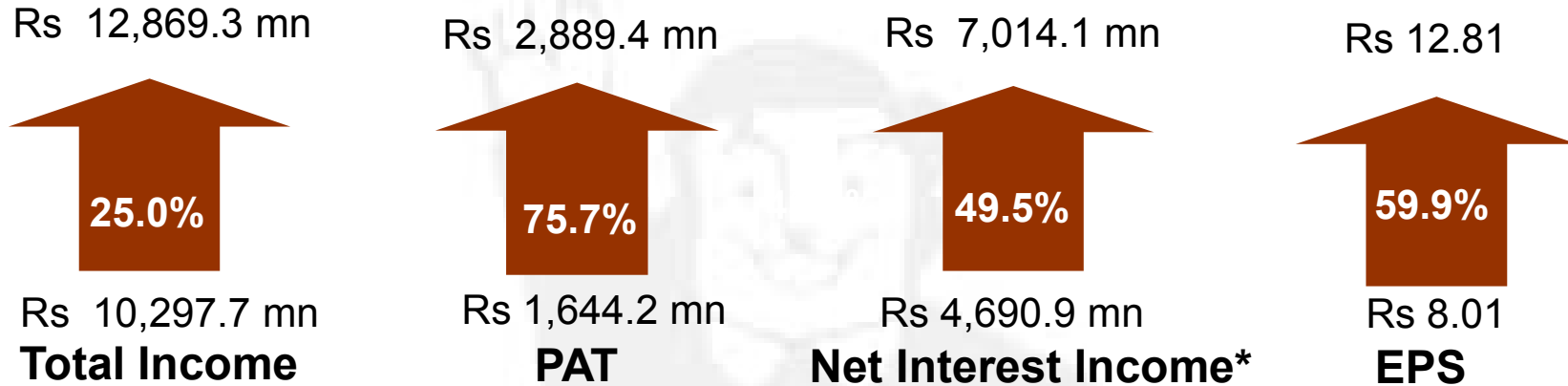
Investor Update

July 22, 2010

Q1 FY 2010 - 11 (April, 2010 to June, 2010)

Sustained Quarterly Growth Trend Continues

Performance Review Q1 FY'10 Vs. Q1 FY'11



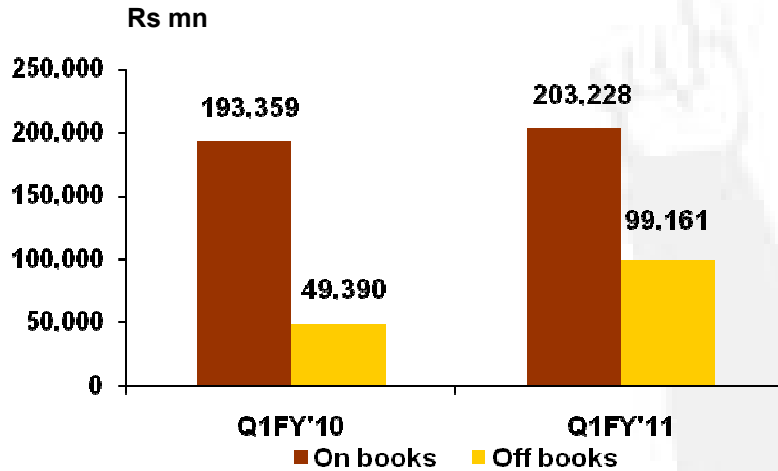
- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Securitisation Income up by 259.2% to Rs 3,724.8 mn from Rs 1,036.9 mn (securitised asset portfolio of Rs NIL during Q1 FY'11)
 - ✓ Fee for Trading earned Rs. 60.6 mn
- ➔ **Growing operating profits** by 65.3% to Rs 5,626.0 mn from Rs 3,404.4 mn
- ➔ **Net spread increased** to 6.4% from 4.0% due to
 - ✓ Increase in yield to 18.8% from 16.5%
 - ✓ Decrease in interest cost to 8.0% from 8.7%
- ➔ **Healthy asset quality** with Gross NPAs & Net NPA decreased to 2.5% from 2.8% and to 0.4% from 0.7% respectively (QoQ) and the Net NPA in absolute amount declined to Rs. 880.5 mn from 1,248.7 mn(QoQ)
- ➔ **Added 437 new employees** to take the total strength to 14,254 including 7,715 field officers (QoQ)

* including Securitisation Income

Driven by Growing AUM



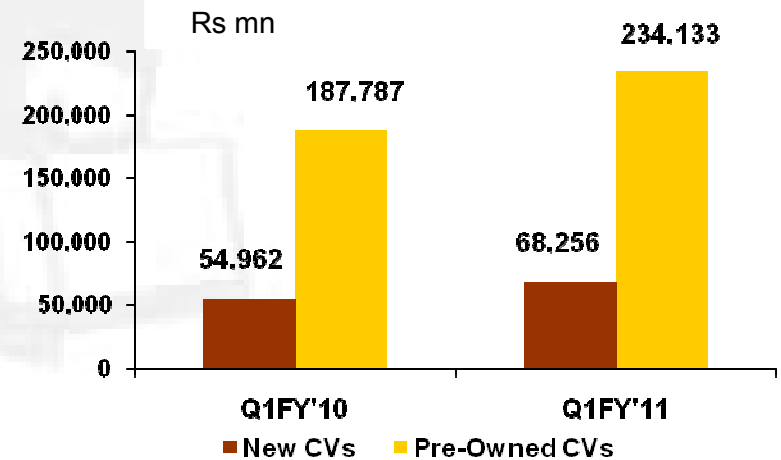
Assets under Management (On books & Off books)



→ 24.6% growth in total Assets under Management to Rs. 302.4 bn

Assets under Management (New & Pre-owned CVs)

→ 77.4% of total Assets under Management in pre-owned CV to Rs 234.1 bn

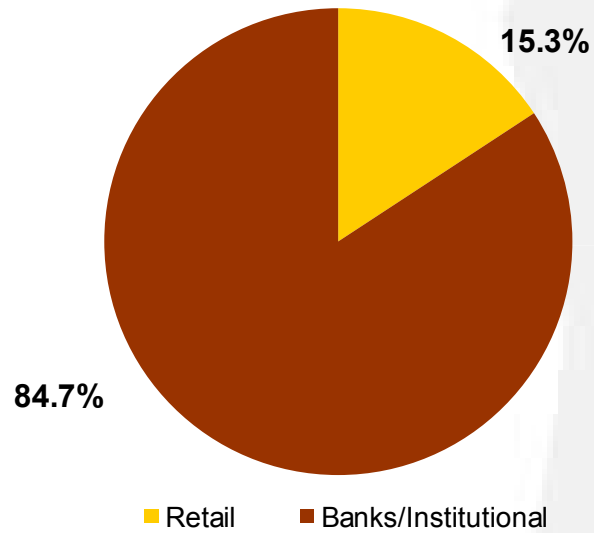


Supported by a Healthy Borrowing Profile

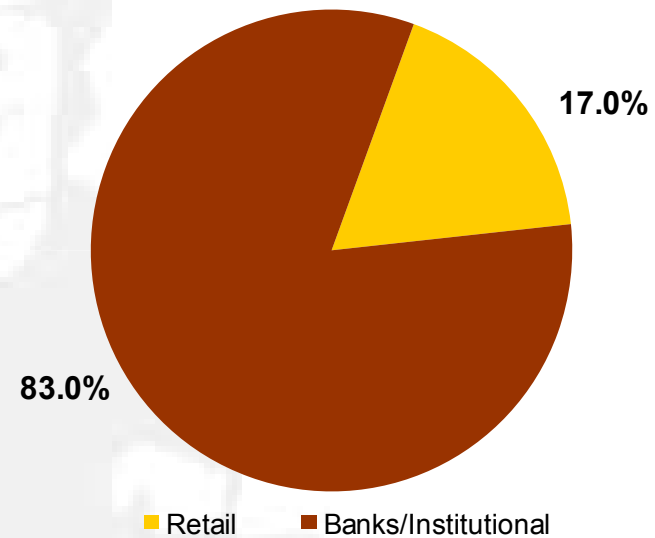


Borrowing Profile

Q1 FY'10 – Rs 201.7 bn



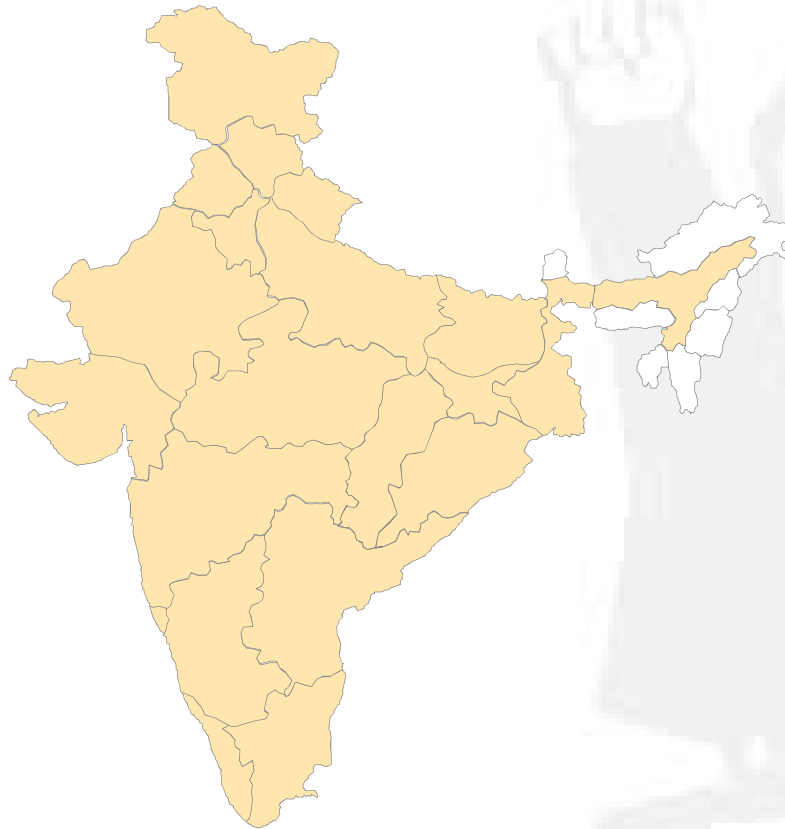
Q1 FY'11 – Rs 195.3 bn



Geographical Reach & Proximity to the Customer



Branch Locations Across India



States with STFC Presence

Pan-India Presence

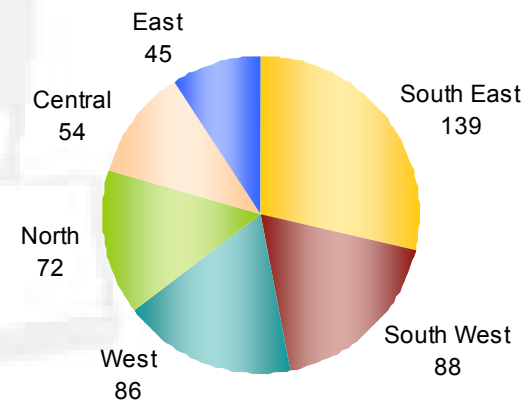
60 SBU's

484 Branch Offices

Tie up with **Over 500** Private Financiers

14,254 Employee including **7,715** Field Officers

Regional Split of Branches

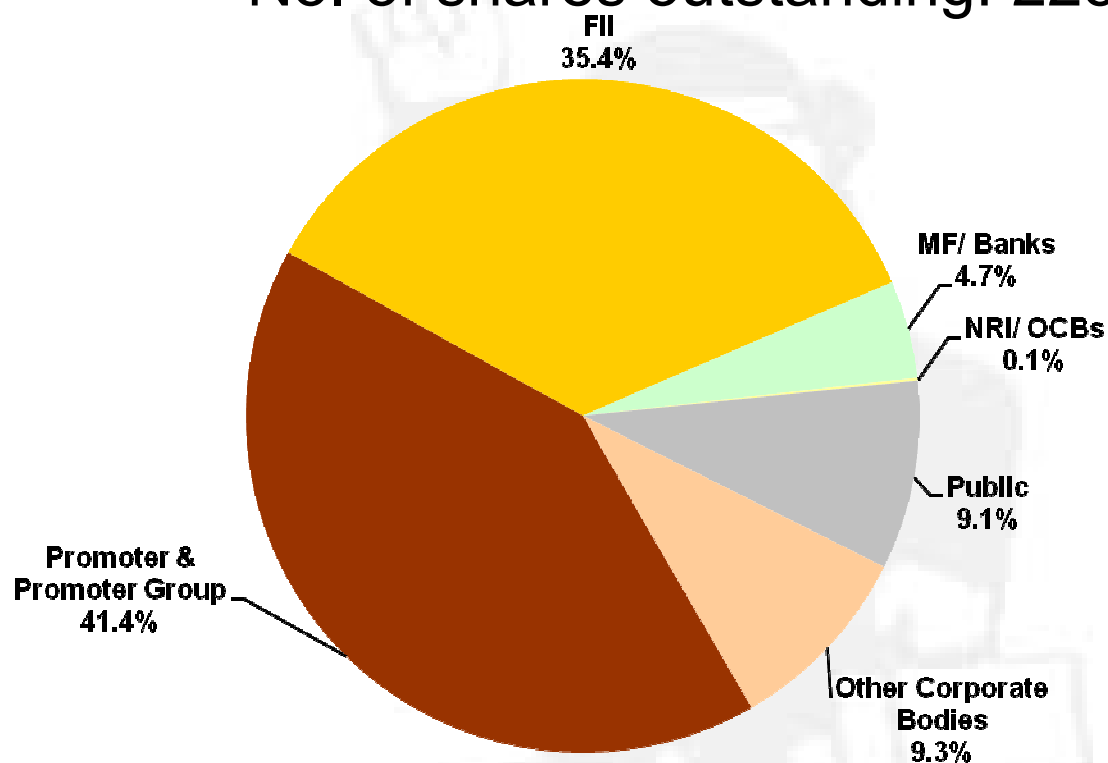


As on June 30, 2010

Shareholding Structure as on June 30, 2010



No. of shares outstanding: 225.52mn



Profit and Loss Statement



| | <i>Rs mn</i> | | | | | |
|--|-----------------|-----------------|-----------------|---------------|--------------|-----------------|
| Profit & Loss Statement | Q1 FY'10 | Q4 FY'10 | Q1 FY'11 | YoY % | QoQ % | FY'10 |
| Interest Income | 9,038.3 | 8,742.0 | 8,739.7 | -3.30% | -0.03% | 37,506.7 |
| Interest Expense | 5,384.3 | 5,521.5 | 5,450.4 | 1.23% | -1.29% | 21,862.2 |
| Net Interest Income | 3,654.0 | 3,220.5 | 3,289.3 | -9.98% | 2.14% | 15,644.5 |
| Income from Securitisation | 1,036.9 | 3,241.5 | 3,724.8 | 259.21% | 14.91% | 6,531.0 |
| Net Interest Income including Income from Securitisation | 4,690.9 | 6,462.0 | 7,014.1 | 49.52% | 8.54% | 22,175.5 |
| Fees for Trading | 62.0 | 81.8 | 60.6 | -2.20% | -25.88% | 305.3 |
| Other Operating Income | 83.7 | 99.0 | 292.3 | 249.11% | 195.17% | 270.9 |
| Operating Income after Interest Expense | 4,836.6 | 6,642.8 | 7,367.0 | 52.32% | 10.90% | 22,751.7 |
| Operating expenditure | 1,454.3 | 1,512.7 | 1,747.8 | 20.18% | 15.54% | 5,511.9 |
| Core Operating Profit (before Provisions & Contingencies) | 3,382.3 | 5,130.0 | 5,619.2 | 66.14% | 9.54% | 17,239.8 |
| Other Income | 22.1 | 8.0 | 6.8 | -69.10% | -14.43% | 74.9 |
| Operating Profit | 3,404.4 | 5,138.0 | 5,626.0 | 65.26% | 9.50% | 17,314.7 |
| Provisions for Bad Debts | 935.2 | 1,011.5 | 1,280.8 | 36.95% | 26.62% | 4,068.8 |
| PBT | 2,469.2 | 4,126.5 | 4,345.2 | 75.98% | 5.30% | 13,245.9 |
| Tax | 825.0 | 1,482.2 | 1,455.8 | 76.48% | -1.78% | 4,514.7 |
| PAT | 1,644.2 | 2,644.3 | 2,889.4 | 75.73% | 9.27% | 8,731.2 |
| EPS (Rs) | 8.01 | 11.95 | 12.81 | 59.93% | 7.20% | 41.09 |
| Total CRAR % | 17.08% | 21.35% | 23.23% | 36.01% | 8.81% | 21.35% |
| Book Value (Rs) | 127.54 | 170.36 | 183.19 | 43.63% | 7.53% | 170.36 |
| Key Ratios (%) | Q1 FY'10 | Q4 FY'10 | Q1 FY'11 | | | FY'10 |
| Net Interest Margin | 6.62% | 7.82% | 8.25% | | | 7.27% |
| Return on Avg. Net Worth | 26.23% | 30.49% | 28.99% | | | 29.65% |
| Return on Avg. Assets | 2.65% | 3.85% | 4.24% | | | 3.31% |

Balance Sheet



| | <i>Rs mn</i> | | | | | |
|----------------------|------------------|------------------|------------------|---------------|--------------|------------------|
| Balance Sheet | Q1 FY'10 | Q4 FY'10 | Q1 FY'11 | YoY % | QoQ % | FY'10 |
| Liabilities | | | | | | |
| Shareholder Funds | | | | | | |
| Equity Capital | 2,115.7 | 2,255.4 | 2,255.4 | 6.60% | 0.00% | 2,255.4 |
| Reserves | 24,868.9 | 36,168.4 | 39,060.7 | 57.07% | 8.00% | 36,168.4 |
| Preference Capital | | | | | | |
| Loans | | | | | | |
| Secured | 170,365.7 | 151,724.8 | 155,565.6 | -8.69% | 2.53% | 151,724.8 |
| Unsecured | 31,293.2 | 32,874.3 | 39,723.9 | 26.94% | 20.84% | 32,874.3 |
| Current Liabilities | 25,384.8 | 46,573.6 | 48,380.4 | 90.59% | 3.88% | 46,573.6 |
| Total | 254,028.3 | 269,596.5 | 284,986.0 | 12.19% | 5.71% | 269,596.5 |
| Assets | | | | | | |
| Fixed Assets | 1,279.0 | 464.5 | 448.5 | -64.94% | -3.44% | 464.5 |
| Loans & Advances | 787.0 | 912.9 | 1,381.9 | 75.59% | 51.37% | 912.9 |
| Cash & Bank balances | 41,252.8 | 45,373.3 | 40,078.5 | -2.85% | -11.67% | 45,373.3 |
| Investments | 13,243.9 | 18,560.2 | 17,665.7 | 33.39% | -4.82% | 18,560.2 |
| Truck receivables | 193,346.2 | 179,460.5 | 203,228.2 | 5.11% | 13.24% | 179,460.5 |
| Deferred Tax Asset | 334.9 | 747.2 | 879.0 | 162.47% | 17.64% | 747.2 |
| Current Assets | 3,784.5 | 24,077.9 | 21,304.2 | 462.94% | -11.52% | 24,077.9 |
| Total | 254,028.3 | 269,596.5 | 284,986.0 | 12.19% | 5.71% | 269,596.5 |

| Spread Analysis | Q1 FY'10 | Q4 FY'10 | Q1 FY'11 | FY'10 |
|-------------------------------------|-----------------|-----------------|-----------------|--------------|
| Total Income/ Avg. total assets | 16.52% | 17.70% | 18.82% | 16.94% |
| Interest cost/ Avg. total assets | 8.68% | 8.03% | 8.00% | 8.29% |
| Gross Spread | 7.84% | 9.67% | 10.82% | 8.65% |
| NPA provisioning/ Avg. total assets | 1.51% | 1.47% | 1.88% | 1.54% |
| Overhead Cost/ Avg. total assets | 2.35% | 2.20% | 2.57% | 2.09% |
| Net Spread | 3.98% | 6.00% | 6.37% | 5.02% |

Details of Key Parameters (Profit & Loss Account)

| Particulars | | Q1 FY 2009 10 | Q4 FY 2009 10 | Q1 FY 2010 11 | % YoY | % QoQ | Year ended FY 2010 |
|--------------------------|--------|------------------|------------------|------------------|----------|----------|-----------------------|
| Total Income | Rs. mn | 10,297.7 | 12,281.7 | 12,869.3 | 24.97% | 4.78% | 44,958.7 |
| Interest Income | Rs. mn | 9,038.3 | 8,742.0 | 8,739.7 | -3.30% | -0.03% | 37,506.7 |
| Securitisation Income | Rs. mn | 1,036.9 | 3,241.5 | 3,724.8 | 259.22% | 14.91% | 6,531.0 |
| Total Interest Income | Rs. mn | 10,075.2 | 11,983.5 | 12,464.5 | 23.71% | 4.01% | 44,037.7 |
| Less : Interest Expenses | Rs. mn | 5,384.3 | 5,521.5 | 5,450.4 | 1.23% | -1.29% | 21,862.2 |
| Net Interest Income | Rs. mn | 4,690.9 | 6,462.0 | 7,014.1 | 49.53% | 8.54% | 22,175.5 |
| Other Income | Rs. mn | 105.8 | 107.0 | 299.1 | 182.70% | 179.53% | 345.8 |
| Fee for Trading | Rs. mn | 62.0 | 81.8 | 60.6 | -2.26% | -25.92% | 305.3 |
| Total Income | Rs. mn | 4,858.7 | 6,650.8 | 7,373.8 | 51.76% | 10.87% | 22,826.6 |
| Cost to Income Ratio | % | 29.93 | 22.75 | 23.7 | -20.82% | 4.18% | 24.11 |
| Profit after Tax | Rs. mn | 1,644.2 | 2,644.3 | 2,889.4 | 75.7% | 9.3% | 8,731.2 |
| EPS | Rs. | 8.01 | 11.95 | 12.81 | 59.93% | 7.20% | 41.09 |
| ROA | % | 2.65 | 3.85 | 4.24 | 60.00% | 10.13% | 3.31 |
| ROE | % | 26.23 | 30.49 | 28.99 | 10.52% | -4.92% | 29.65 |
| NIM (on AUM) | % | 6.62 | 7.82 | 8.25 | 24.62% | 5.50% | 7.27 |

Details of Key Parameters (Balance Sheet)

| Particulars | | Q1 FY 2009 10 | Q4 FY 2009 10 | Q1 FY 2010 11 | % YoY | % QoQ | Year ended FY 2010 |
|-------------------------------|---------------|------------------|------------------|------------------|----------------|----------------|-----------------------|
| Asset under Management | | | | | | | |
| - On Books | Rs. mn | 193,358.6 | 179,460.5 | 203,228.2 | 5.10% | 13.24% | 179,460.5 |
| - Off Books | Rs. mn | 49,390.1 | 111,800.3 | 99,160.6 | 100.77% | -11.31% | 111,800.3 |
| Total AUM | Rs. mn | 242,748.7 | 291,260.8 | 302,388.8 | 24.57% | 3.82% | 291,260.8 |
| Disbursement | | | | | | | |
| - Used CV | Rs. mn | 26,378.4 | 30,897.2 | 33,331.3 | 26.36% | 7.88% | 118,294.2 |
| - New CV | Rs. mn | 6,217.4 | 8,132.8 | 6,404.8 | 3.01% | -21.25% | 28,541.7 |
| Total Disbursement | Rs. mn | 32,595.8 | 39,030.0 | 39,736.1 | 21.91% | 1.81% | 146,835.9 |
| Securitisation done | Rs. mn | 1,946.0 | 54,945.0 | - | - | - | 87,568.0 |
| Gross NPA | % | 2.22 | 2.83 | 2.50 | 12.61% | -11.66% | 2.83 |
| Net NPA | % | 0.81 | 0.71 | 0.44 | -45.68% | -38.03% | 0.71 |
| Gross NPA | Rs. mn | 4,300.2 | 5,112.7 | 5,095.4 | 18.49% | -0.34% | 5,112.7 |
| Net NPA | Rs. mn | 1,542.8 | 1,248.7 | 880.5 | -42.93% | -29.49% | 1,248.7 |
| Coverage Ratio | % | 64.12 | 75.58 | 82.72 | 29.01% | 9.45% | 75.58 |
| CRAR | % | 17.08 | 21.35 | 23.23 | 36.01% | 8.81% | 21.35 |
| Book Value | Rs. | 127.54 | 170.36 | 183.19 | 43.63% | 7.53% | 170.36 |

**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 with assets under management of Rs 302.4 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 60 SBUs and 484 branches, and employs 14,254 employees including 7,715 field officers. The company has built a strong customer base of over 0.7 mn. 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. 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.



Thank You

