Shriram Transport Finance Company Ltd.

Investor Update

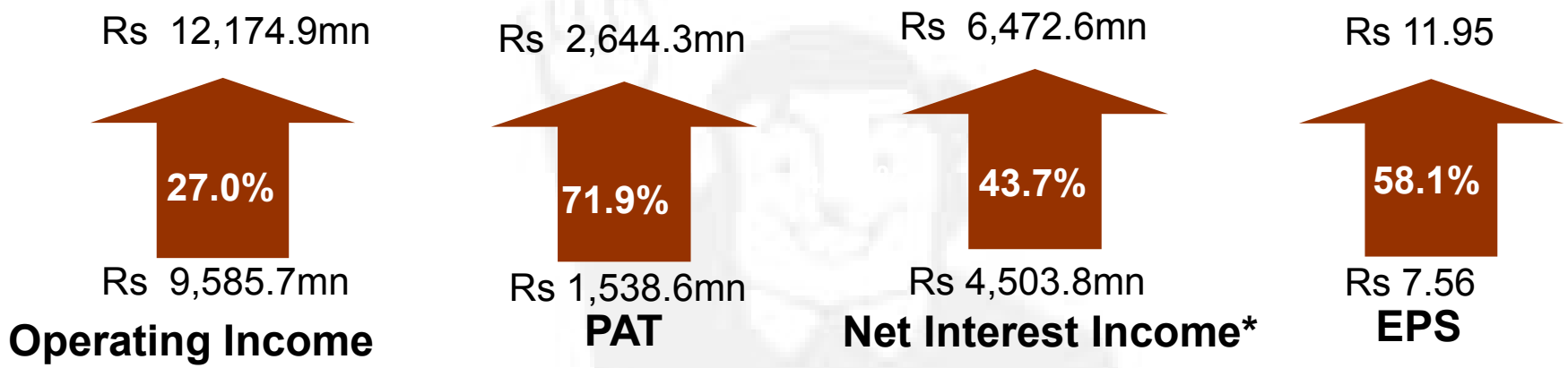
April 29, 2010

Q4 FY 10 (January, 10 to March, 10)

Sustained Quarterly Growth Trend Continues

SHRIRAM Commercial Vehicle Finance

Performance Review Q4 FY'10 Vs. Q4 FY'09

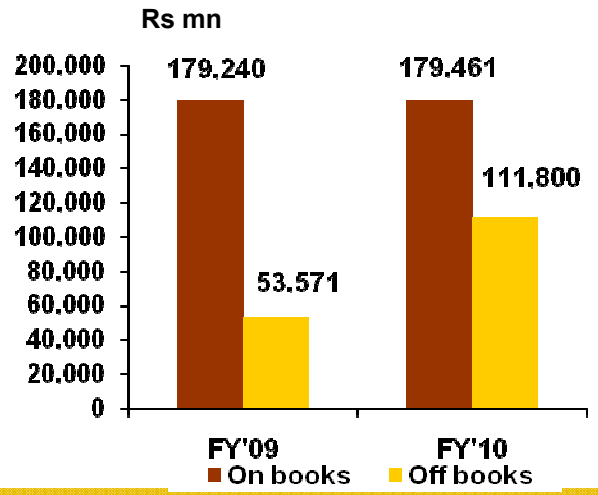


- **Strong growth in operating income driven by growth across key revenue streams:**
  - ✓ Securitisation Income up by 359.2% to Rs 3,241.5 mn from Rs 706.0 mn (securitised asset portfolio of Rs 54,945 mn during Q4 FY'10)
  - ✓ Fee for Trading earned Rs. 81.8mn
- **Growing operating profits** by 62.4% to Rs 5,148.7 mn from Rs 3,170.4 mn
- **Net spread increased** to 6.00% from 4.11% due to
  - ✓ **Decrease in interest cost** to 8.03% from 8.84%
  - ✓ **Decrease in overhead cost** to 2.20% from 2.63%
- **Healthy asset quality** with Net NPAs increased marginally to 0.71% from 0.68% (QoQ) but in absolute amount declined by 190.6 mn to 1,248.7mn from 1,439.3mn (QoQ).
- **Added 987 new employees** to take the total strength to 13,817 including 7,398 field officers (QoQ)
- **Proposed a final dividend** of Rs.4/- per share in addition to the interim dividend of Rs. 2/- per share declared, making the total dividend of Rs. 6/- per share as against Rs. 5/- per share paid for 2008 - 09..

*including Securitisation Income

Driven by Growing AUM

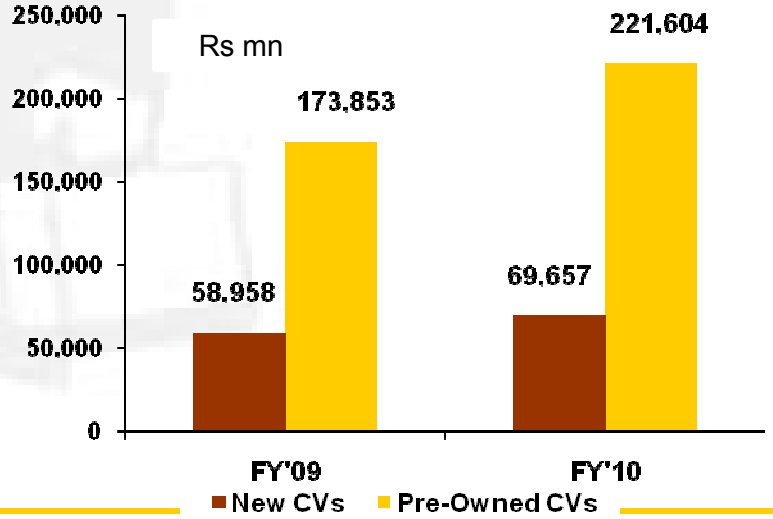
Assets under Management (On books & Off books)



- 25.1% growth in total Assets under Management to Rs. 291.26 bn

Assets under Management (New & Pre-owned CVs)

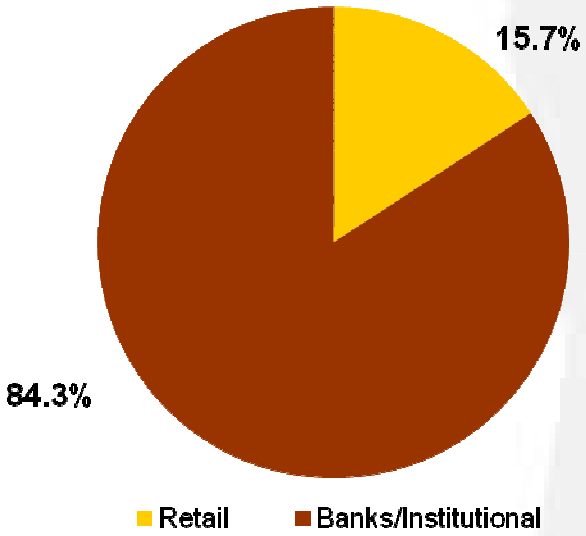
- 76.0% of total Assets under Management in pre-owned CV to Rs 221.6 bn



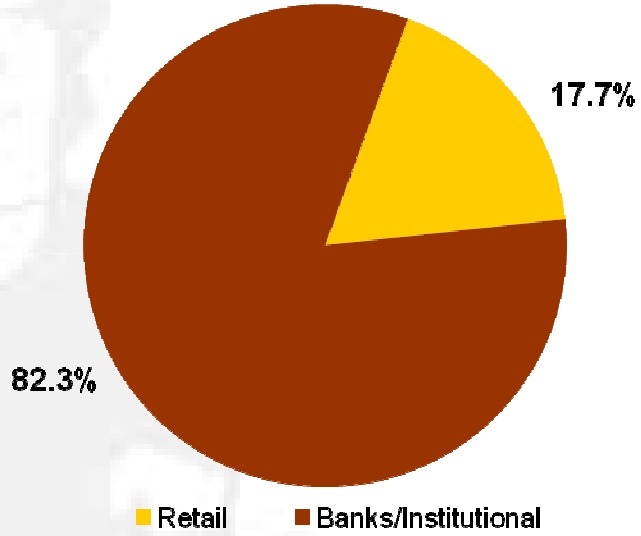
Supported by a Healthy Borrowing Profile

Borrowing Profile

FY'09 – Rs 201.21 bn

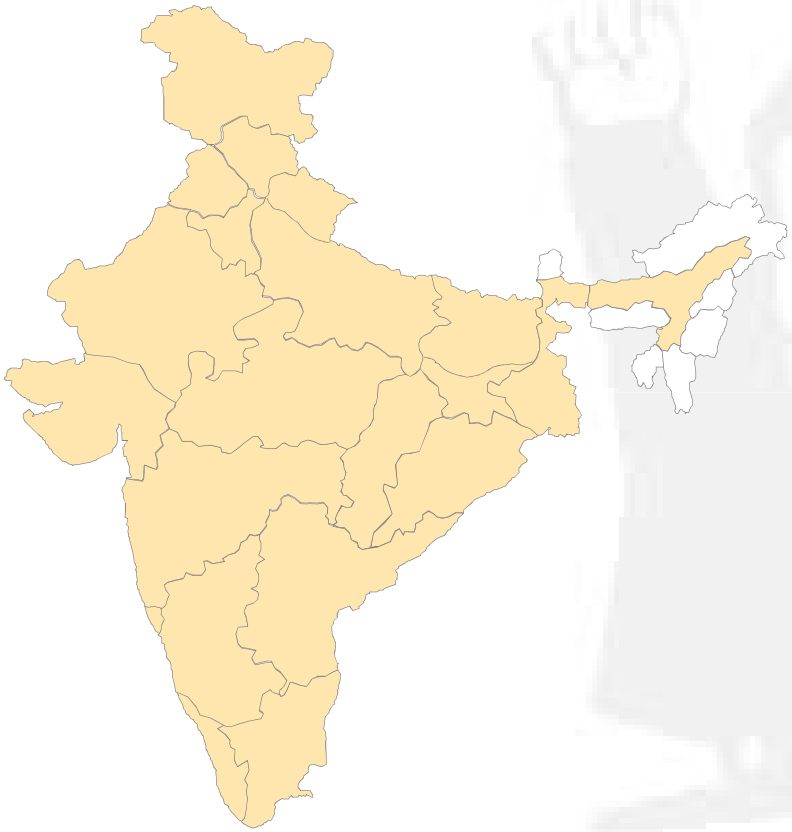


FY'10 – Rs 184.60 bn



Widespread Geographical Reach Proximity to the Customer

Branch Locations Across India



States with STFC Presence

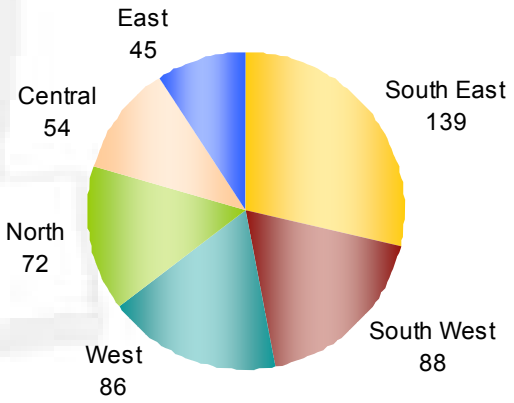
Pan-India Presence

60 SBUs

484 Branch Offices

Tie up with **Over 500** Private Financiers

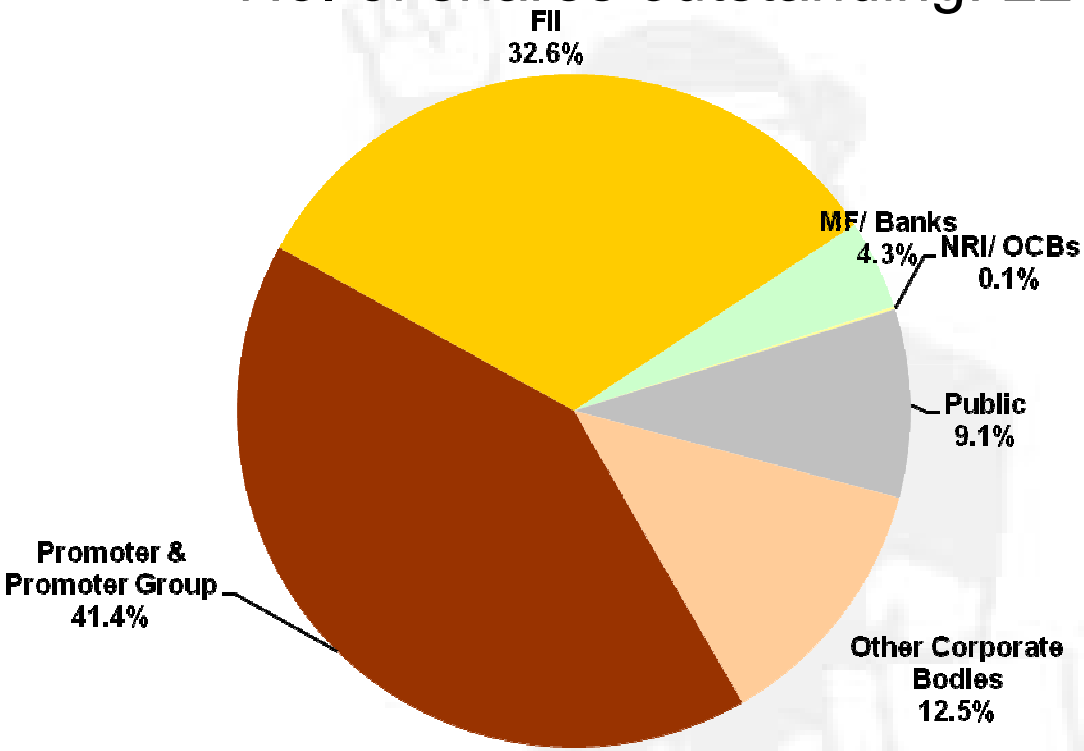
Regional Split of Branches



As on March 31, 2010

Shareholding Structure as on March 31, 2010

No. of shares outstanding: 225.52mn



Profit and Loss Statement

SHRIRAM Commercial Vehicle Finance

Rs mn

Profit & Loss Statement	Q4 FY'09	Q1 FY'10	Q2 FY'10	Q3 FY'10	Q4 FY'10	YoY %	QoQ %	FY'09	FY'10	YoY %
Interest Income	8,858.8	9,052.2	9,475.6	10,264.0	8,752.6	-1.20%	-14.72%	33,387.4	37,544.4	12.5%
Interest Expense	5,061.0	5,384.3	5,248.3	5,708.0	5,521.5	9.10%	-3.27%	19,279.4	21,862.2	13.4%
Net Interest Income	3,797.8	3,667.9	4,227.3	4,556.0	3,231.1	-14.92%	-29.08%	14,108.0	15,682.2	11.2%
Income from Securtisation	706.0	1,036.9	1,044.4	1,208.2	3,241.5	359.17%	168.29%	3,169.5	6,531.0	106.1%
Net Interest Income including Income from Securtisation	**4,503.8**	**4,704.8**	**5,271.7**	**5,764.2**	**6,472.6**	**43.71%**	**12.29%**	**17,277.5**	**22,213.2**	**28.6%**
Fees for Trading	0.0	62.0	86.0	75.7	81.8	0.00%	8.04%	0.0	305.3	0.0%
Other Operating Income	20.9	83.7	25.0	63.0	99.0	372.80%	57.10%	122.1	270.9	121.9%
Operating Income after Interest Expense	4,524.7	4,850.5	5,382.7	5,902.9	6,653.4	47.05%	12.71%	17,399.6	22,789.4	31.0%
Operating expenditure	1,507.8	1,454.3	1,227.3	1,317.7	1,512.7	0.33%	14.80%	5,538.6	5,512.0	-0.5%
Core Operating Profit (before Provisions & Contingencies)	**3,016.9**	**3,396.2**	**4,155.4**	**4,585.2**	**5,140.7**	**70.40%**	**12.12%**	**11,861.0**	**17,277.4**	**45.7%**
Other Income	153.5	22.1	29.2	15.6	8.0	-94.81%	-48.86%	402.8	74.9	-81.4%
Operating Profit	**3,170.4**	**3,418.3**	**4,184.6**	**4,600.8**	**5,148.7**	**62.40%**	**11.91%**	**12,263.8**	**17,352.3**	**41.5%**
Provisions for Bad Debts	819.8	949.2	1,121.6	1,013.5	1,022.2	24.69%	0.86%	3,057.5	4,106.5	34.3%
PBT	**2,350.6**	**2,469.1**	**3,063.0**	**3,587.3**	**4,126.5**	**75.55%**	**15.03%**	**9,206.3**	**13,245.8**	**43.9%**
Tax	812.0	825.0	988.4	1,219.2	1,482.2	82.53%	21.56%	3,082.3	4,514.7	46.5%
PAT	**1,538.6**	**1,644.1**	**2,074.6**	**2,368.1**	**2,644.3**	**71.87%**	**11.66%**	**6,124.0**	**8,731.1**	**42.6%**
EPS (Rs)	**7.56**	**8.01**	**9.80**	**11.16**	**11.95**	**58.07%**	**7.08%**	**30.11**	**41.08**	**36.4%**
Total CRAR %	**16.35%**	**17.08%**	**16.69%**	**16.99%**	**20.92%**	**27.95%**	**23.13%**	**16.35%**	**20.92%**	**28.0%**
Book Value (Rs)	**113.82**	**127.54**	**137.20**	**145.44**	**170.36**	**49.68%**	**17.13%**	**113.82**	**170.36**	**49.7%**

Key Ratios (%)	Q4 FY'09	Q1 FY'10	Q2 FY'10	Q3 FY'10	Q4 FY'10			FY'09	FY'10	
Net Interest Margin (on AUM)	**6.82%**	**6.62%**	**7.21%**	**7.37%**	**7.83%**			**7.24%**	**7.28%**	
Return on Avg. Net Worth	**26.91%**	**26.23%**	**29.62%**	**31.58%**	**30.49%**			**29.11%**	**29.65%**	
Return on Avg. Assets	**2.69%**	**2.65%**	**3.22%**	**3.45%**	**3.85%**			**2.99%**	**3.31%**	

Balance Sheet

SHRIRAM Commercial Vehicle Finance

Rs mn

Balance Sheet	Q4 FY'09	Q1 FY'10	Q2 FY'10	Q3 FY'10	Q4 FY'10	YoY %	QoQ %	FY'09	FY'10	YoY %
Liabilities										
Shareholder Funds										
Equity Capital	2,035.4	2,115.7	2,116.7	2,128.0	2,255.4	10.81%	5.99%	2,035.4	2,255.4	10.8%
Reserves	21,131.0	24,868.9	26,924.1	28,822.2	36,168.4	71.16%	25.49%	21,131.0	36,168.4	71.2%
Preference Capital										
Loans										
Secured	167,745.9	170,365.8	185,209.7	191,497.5	151,724.8	-9.55%	-20.77%	167,745.9	151,724.8	-9.6%
Unsecured	33,467.2	31,293.2	28,249.4	34,063.7	32,874.3	-1.77%	-3.49%	33,467.2	32,874.3	-1.8%
Current Liabilities	21,240.4	21,742.4	22,652.8	26,869.4	46,474.8	118.80%	72.97%	21,240.4	46,474.8	118.8%
Total	**245,619.9**	**250,386.0**	**265,152.7**	**283,380.8**	**269,497.7**	**9.72%**	**-4.90%**	**245,619.9**	**269,497.7**	**9.7%**
Assets										
Fixed Assets	1,342.7	1,279.0	783.9	489.9	464.5	-65.41%	-5.20%	1,342.7	464.5	-65.4%
Loans & Advances	690.9	783.0	943.1	834.1	912.9	32.14%	9.45%	690.9	912.9	32.1%
Cash & Bank balances	53,658.4	37,610.4	44,796.4	47,054.1	45,373.3	-15.44%	-3.57%	53,658.4	45,373.3	-15.4%
Investments	6,554.1	13,243.9	10,410.4	12,556.5	18,560.2	183.18%	47.81%	6,554.1	18,560.2	183.2%
Truck receivables	179,215.7	193,346.2	203,567.9	215,519.8	179,460.5	0.14%	-16.73%	179,215.7	179,460.5	0.1%
Deferred Tax Asset	263.9	334.9	395.2	540.5	747.2	183.09%	38.26%	263.9	747.2	183.1%
Current Assets	3,894.2	3,788.6	4,255.8	6,385.9	23,979.1	515.76%	275.50%	3,894.2	23,979.1	515.8%
Total	**245,619.9**	**250,386.0**	**265,152.7**	**283,380.8**	**269,497.7**	**9.72%**	**-4.90%**	**245,619.9**	**269,497.7**	**9.7%**

Spread Analysis	Q4 FY'09	Q1 FY'10	Q2 FY'10	Q3 FY'10	Q4 FY'10			FY'09	FY'10	
Total Income/ Avg. total assets	17.01%	16.54%	16.54%	16.96%	17.72%			18.10%	16.96%	
Interest cost/ Avg. total assets	8.84%	8.68%	8.14%	8.32%	8.03%			9.41%	8.29%	
Gross Spread	**8.17%**	**7.86%**	**8.40%**	**8.64%**	**9.69%**			**8.69%**	**8.67%**	
NPA prov./ Avg. total assets	1.43%	1.53%	1.74%	1.48%	1.49%			1.49%	1.56%	
Overhead Cost/ Avg. total assets	2.63%	2.35%	1.90%	1.92%	2.20%			2.70%	2.09%	
Net Spread	**4.11%**	**3.98%**	**4.76%**	**5.24%**	**6.00%**			**4.50%**	**5.02%**	

Details of Key Parameters (Profit & Loss Account)

SHRIRAM Commercial Vehicle Finance

Particulars		Q4 FY 2008 09	Q1 FY 2009 10	Q2 FY 2009 10	Q3 FY 2009 10	Q4 FY 2009 10	Year ended FY 2009	Year ended FY 2010
Interest Income	Rs. mn	8,858.80	9,052.20	9,475.60	10,264.00	8,752.60	33,387.40	37,544.40
Securitisation Income	Rs. mn	706.00	1,036.90	1,044.40	1,208.20	3,241.50	3,169.50	6,531.00
Total	Rs. mn	9,564.80	10,089.10	10,520.00	11,472.20	11,994.10	36,556.90	44,075.40
Less : Interest Expenses	Rs. mn	5,061.00	5,384.30	5,248.30	5,708.00	5,521.50	19,279.40	21,862.20
Net Interest Income	Rs. mn	4,503.80	4,704.80	5,271.70	5,764.20	6,472.60	17,277.50	22,213.20
Other Income	Rs. mn	174.40	105.80	54.20	78.60	107.00	524.90	345.80
Fee for Trading	Rs. mn	-	62.00	86.00	75.70	81.80	-	305.30
Total Income	Rs. mn	4,678.20	4,872.60	5,411.90	5,918.50	6,661.40	17,802.40	22,864.30
Cost to Income Ratio	%	32.23	29.85	22.68	22.26	22.71	31.11	24.11
Profit after Tax	Rs. mn	1,538.60	1,644.10	2,074.60	2,368.10	2,644.30	6,124.00	8,731.10
EPS	Rs.	7.56	8.01	9.80	11.16	11.95	30.11	41.08
ROA	%	2.69	2.65	3.22	3.45	3.85	2.99	3.31
ROE	%	26.91	26.23	29.62	31.58	30.49	29.11	29.65
NIM (on AUM)	%	6.82	6.62	7.21	7.37	7.83	7.24	7.28

Details of Key Parameters (Balance Sheet)

SHRIRAM Commercial Vehicle Finance

Particulars		Q4 FY 2008 09	Q1 FY 2009 10	Q2 FY 2009 10	Q3 FY 2009 10	Q4 FY 2009 10	Year ended FY 2009	Year ended FY 2010
Asset under Management								
- On Books	Rs. mn	179,239.70	193,358.60	203,575.00	215,520.60	179,460.50	179,239.70	179,460.50
- Off Books	Rs. mn	53,571.40	49,390.10	54,662.50	66,265.10	111,800.30	53,571.40	111,800.30
Total	Rs. mn	232,811.10	242,748.70	258,237.50	281,785.70	291,260.80	232,811.10	291,260.80
Disbursement								
- Used CV	Rs. mn	24,130.90	26,378.40	28,663.10	32,355.50	30,897.20	97,042.90	118,294.20
- New CV	Rs. mn	3,690.40	6,217.40	7,099.80	7,091.70	8,132.80	18,611.00	28,541.70
Total Income	Rs. mn	27,821.30	32,595.80	35,762.90	39,447.20	39,030.00	115,653.90	146,835.90
Securitisation done	Rs. mn	17,204.00	1,946.00	12,084.00	18,593.00	54,945.00	31,249.80	87,568.00
Gross NPA	%	2.14	2.22	2.29	2.43	2.83	2.14	2.83
Net NPA	%	0.83	0.81	0.66	0.68	0.71	0.83	0.71
Coverage Ratio	%	61.63	64.12	71.80	72.56	75.58	61.63	75.58
Gross NPA	Rs. mn	3,843.10	4,300.20	4,676.90	5,245.20	5,112.70	3,843.10	5,112.70
Net NPA	Rs. mn	1,474.60	1,542.80	1,319.00	1,439.30	1,284.70	1,474.60	1,284.70
CAR	%	16.35	17.08	16.69	16.99	20.92	16.35	20.92
Book Value	Rs.	113.82	127.54	137.20	145.44	170.36	113.82	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 291.26 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 13,817 employees including 7,398 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

SHRIRAM
Commercial Vehicle Finance