

Shriram Transport Finance Company Ltd.



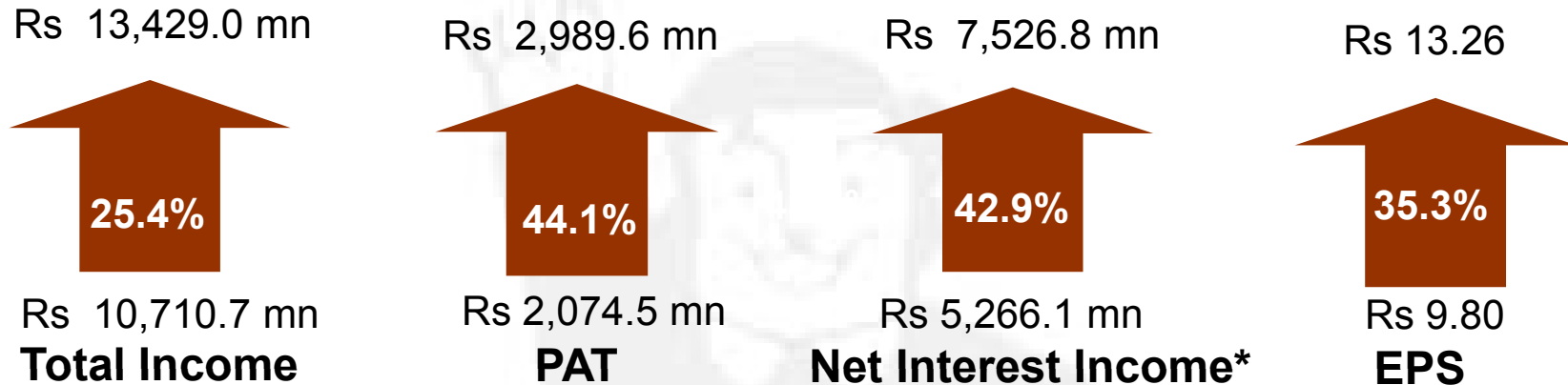
Investor Update

October 27, 2010

Q2 FY 2010 - 11 (July, 2010 to September, 2010)

Sustained Quarterly Growth Trend Continues

Performance Review Q2 FY'10 Vs. Q2 FY'11



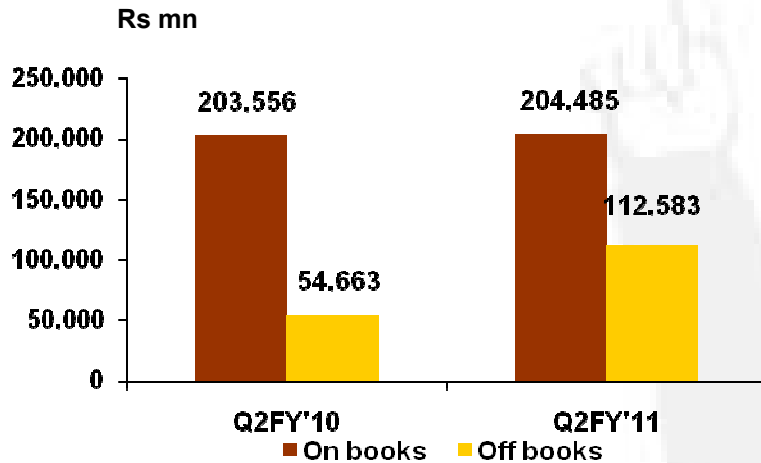
- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Securitisation Income up by 239.2% to Rs 3,542.9 mn from Rs 1,044.4 mn (securitised asset portfolio of Rs 25,464 during Q2 FY'11)
 - ✓ Fee for Trading earned Rs. 85.5 mn
- ➔ **Growing operating profits** by 37.0% to Rs 5,724.9 mn from Rs 4,179.1 mn
- ➔ **Net spread increased** to 6.3% from 4.8% due to
 - ✓ **Increase in yield** to 18.9% from 16.5%
 - ✓ **Decrease in interest cost** to 7.9% from 8.1%
- ➔ **Healthy asset quality** with Gross NPAs & Net NPA stood at 2.54% & 0.49% against 2.50% & 0.44% respectively (QoQ) and the Net NPA in absolute amount stands at Rs. 977.2 mn.
- ➔ **Added 682 new employees** to take the total strength to 14,936 including 8,412 field officers (QoQ)

* including Securitisation Income

Driven by Growing AUM



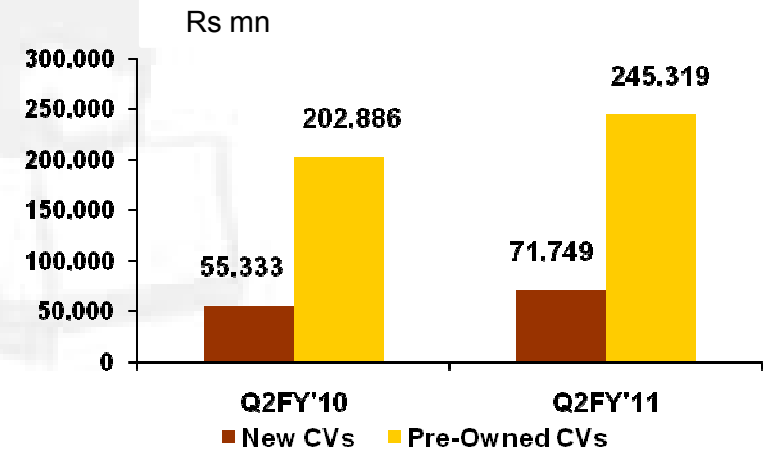
Assets under Management (On books & Off books)



→ 22.8% growth in total Assets under Management to Rs. 317.1 bn

Assets under Management (New & Pre-owned CVs)

→ 77.4% of total Assets under Management in pre-owned CV to Rs 317.1 bn

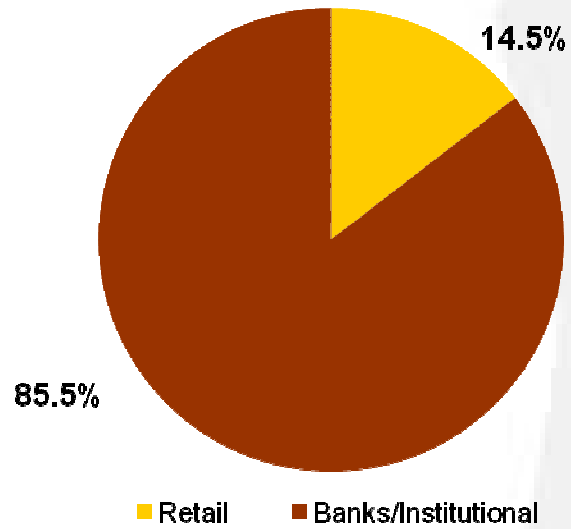


Supported by a Healthy Borrowing Profile

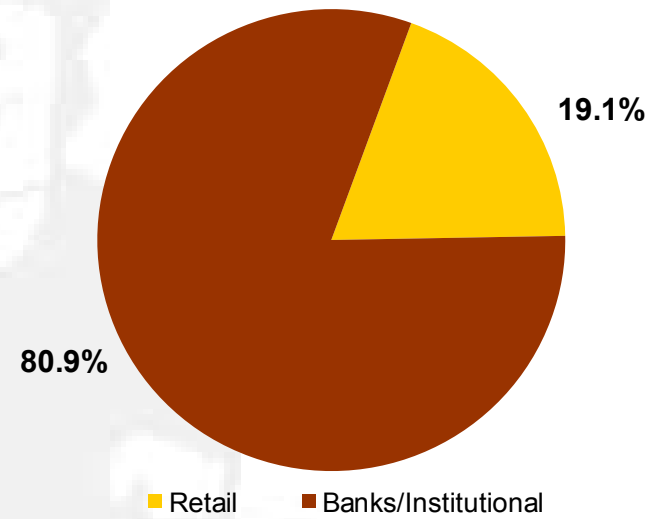


Borrowing Profile

Q2 FY'10 – Rs 213.5 bn



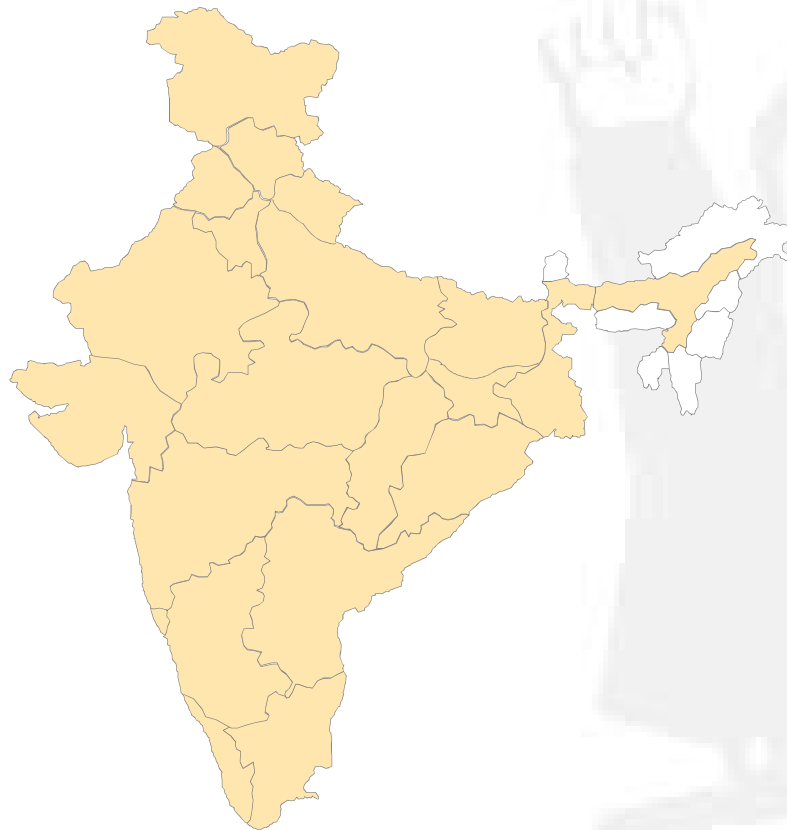
Q2 FY'11 – Rs 203.4 bn



Geographical Reach & Proximity to the Customer



Branch Locations Across India



States with STFC Presence

Pan-India Presence

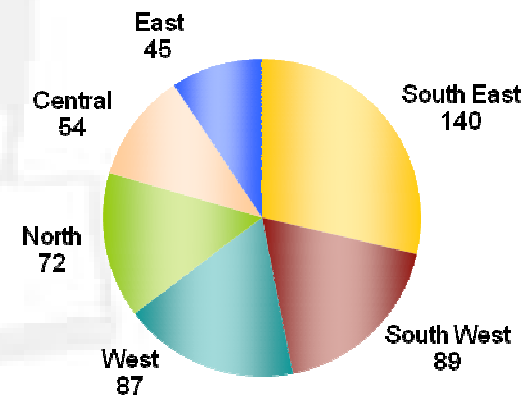
60 SBUs

487 Branch Offices

Tie up with **Over 500** Private Financiers

14,936 Employee including **8,412** Field Officers

Regional Split of Branches

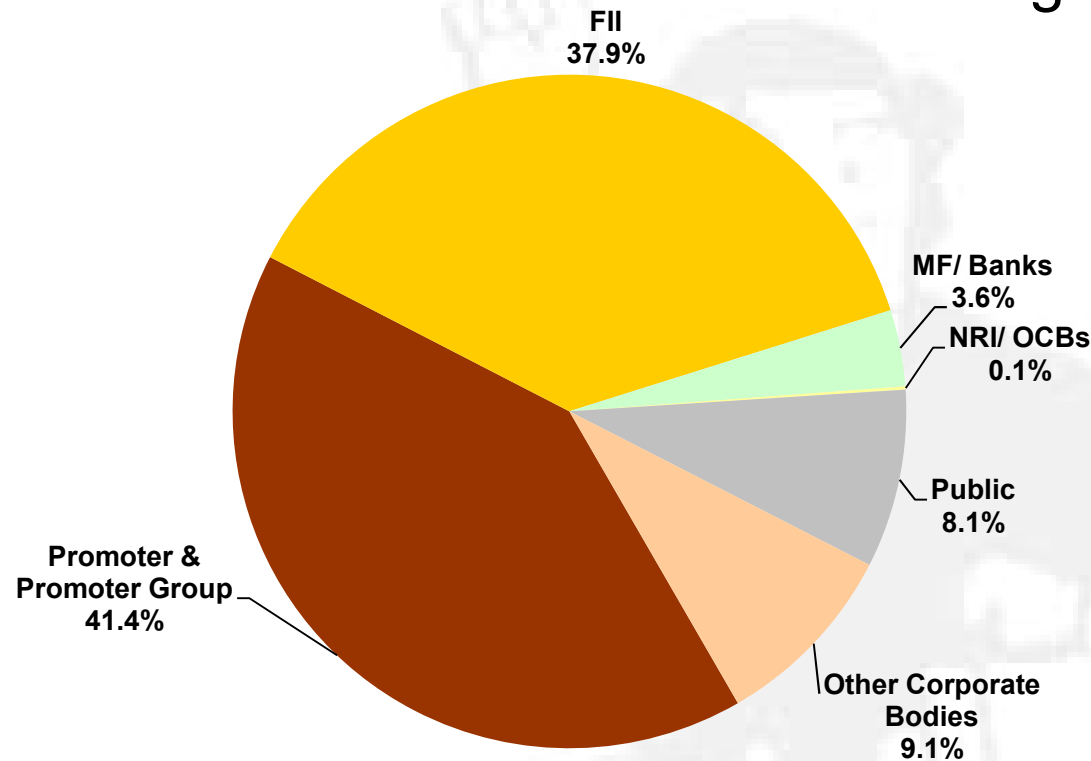


As on September 30, 2010

Shareholding Structure as on September 30, 2010



No. of shares outstanding: 225.54mn



Profit and Loss Statement

Rs mn

Profit & Loss Statement	Q2 FY'10	Q1 FY'11	Q2 FY'11	H1 FY'10	H1 FY'11	YoY %	QoQ %	FY'10
Interest Income	9,470.0	8,739.7	9,561.8	18,508.4	18,301.5	0.97%	9.41%	37,506.7
Interest expended	5,248.3	5,450.4	5,577.9	10,632.6	11,028.3	6.28%	2.34%	21,862.2
Net Interest Income	4,221.7	3,289.3	3,983.9	7,875.8	7,273.2	-5.63%	21.12%	15,644.5
Income from Securitisation	1,044.4	3,724.8	3,542.9	2,081.3	7,267.7	239.24%	-4.88%	6,531.0
Net Interest Income including Income from Securitisation	5,266.1	7,014.1	7,526.8	9,957.1	14,540.9	42.93%	7.31%	22,175.5
Fees for trading	86.0	60.6	85.5	147.9	146.1	-0.51%	41.12%	305.3
Other Operating Income	25.0	292.3	141.4	108.8	433.7	464.54%	-51.64%	270.9
Operating Income	5,377.1	7,367.0	7,753.7	10,213.8	15,120.7	44.20%	5.25%	22,751.7
Operating expenditure	1,227.2	1,747.8	2,034.2	2,681.6	3,782.0	65.75%	16.38%	5,511.9
Core Operating Profit (before Provisions & Contingencies)	4,149.9	5,619.2	5,719.5	7,532.2	11,338.7	37.82%	1.78%	17,239.8
Other Income	29.2	6.8	5.4	51.3	12.2	-81.38%	-20.24%	74.9
Operating Profit	4,179.1	5,626.0	5,724.9	7,583.5	11,350.9	36.99%	1.76%	17,314.7
Provisions for Bad Debts	1,116.2	1,280.8	1,263.7	2,051.4	2,544.5	13.22%	-1.34%	4,068.8
PBT	3,062.9	4,345.2	4,461.2	5,532.1	8,806.4	45.65%	2.67%	13,245.9
Tax	988.4	1,455.8	1,471.6	1,813.3	2,927.4	48.89%	1.08%	4,514.7
PAT	2,074.5	2,889.4	2,989.6	3,718.8	5,879.0	44.11%	3.47%	8,731.2
EPS (Rs)	9.80	12.81	13.26	17.84	26.07	35.31%	3.51%	41.09
Total CRAR %	16.69%	23.23%	24.61%	16.69%	24.61%	47.45%	5.94%	21.35%
Book Value (Rs)	137.20	183.19	196.44	137.20	196.44	43.18%	7.24%	170.36
Net Interest Margin	7.02%	5.49%	6.24%	6.65%	5.88%			6.54%
Return on Avg. Net Worth	29.62%	28.99%	27.93%	28.02%	28.44%			29.65%
Return on Avg. Assets	3.22%	4.24%	4.25%	2.94%	4.25%			3.31%

Balance Sheet



						<i>Rs mn</i>
Balance Sheet	Q2 FY'10	Q1 FY'11	Q2 FY'11	YoY %	QoQ %	FY'10
Liabilities						
Shareholder Funds						
Equity Capital	2,116.7	2,255.4	2,255.6	6.57%	0.01%	2,255.4
Reserves	26,924.1	39,060.7	42,054.9	56.20%	7.67%	36,168.4
Loans						
Secured	185,209.7	155,565.6	154,052.3	-16.82%	-0.97%	151,724.8
Unsecured	28,249.4	39,723.9	49,381.6	74.81%	24.31%	32,874.3
Current Liabilities	27,031.6	48,324.8	54,437.9	101.39%	12.65%	46,535.9
Total	269,531.5	284,930.4	302,182.3	12.11%	6.05%	269,558.8
Assets						
Fixed Assets	783.9	448.5	427.8	-45.43%	-4.61%	464.5
Loans & Advances	943.1	1,381.9	1,620.5	71.83%	17.27%	912.9
Cash & Bank balances	49,194.6	40,078.5	48,273.9	-1.87%	20.45%	45,373.3
Investments	10,410.4	17,665.7	19,054.1	83.03%	7.86%	18,560.2
Truck receivables	203,548.5	203,172.6	204,485.4	0.46%	0.65%	179,422.7
Deferred Tax Asset	395.2	879.0	1,046.9	164.88%	19.10%	747.2
Current Assets	4,255.8	21,304.2	27,273.7	540.86%	28.02%	24,078.0
Total	269,531.5	284,930.4	302,182.3	12.11%	6.05%	269,558.8
Spread Analysis	Q2 FY'10	Q1 FY'11	Q2 FY'11			FY'10
Total Income/ Avg. total assets	16.53%	18.83%	18.95%			16.94%
Interest cost/ Avg. total assets	8.14%	8.00%	7.93%			8.29%
Gross Spread	8.39%	10.83%	11.02%			8.65%
NPA provisioning/ Avg. total assets	1.73%	1.88%	1.80%			1.54%
Overhead Cost/ Avg. total assets	1.90%	2.57%	2.89%			2.09%
Net Spread	4.76%	6.38%	6.33%			5.02%

Details of Key Parameters (Profit & Loss Account)

Particulars		Q2 FY 2009 10	Q1 FY 2010 11	Q2 FY 2010 11	H1 FY 2009 10	H1 FY 2010 11	% YoY	% QoQ	Year ended FY 2010
Total Income	mn	10,710.7	12,869.3	13,429.0	21,008.4	26,298.3	25.38%	4.35%	44,958.7
Interest Income	mn	9,470.0	8,739.7	9,561.8	18,508.4	18,301.5	0.97%	9.41%	37,506.7
Securitisation Income	mn	1,044.4	3,724.8	3,542.9	2,081.3	7,267.7	239.23%	-4.88%	6,531.0
Total Interest Income	mn	10,514.4	12,464.5	13,104.7	20,589.7	25,569.2	24.64%	5.14%	44,037.7
Less : Interest Expenses	mn	5,248.3	5,450.4	5,577.9	10,632.6	11,028.3	6.28%	2.34%	21,862.2
Net Interest Income	mn	5,266.1	7,014.1	7,526.8	9,957.1	14,540.9	42.93%	7.31%	22,175.5
Other Income	mn	54.2	299.1	146.8	160.1	445.9	170.85%	-50.92%	345.8
Fee for Trading	mn	86.0	60.6	85.5	147.9	146.1	-0.58%	41.09%	305.3
Total Income	mn	5,406.3	7,373.8	7,759.1	10,265.1	15,132.9	43.52%	5.23%	22,826.6
Cost to Income Ratio	%	22.70	23.70	26.22	26.12	24.99	15.51%	10.63%	24.15
Profit after Tax	mn	2,074.5	2,889.4	2,989.6	3,718.8	5,879.0	44.11%	3.47%	8,731.2
EPS	Rs.	9.80	12.81	13.26	17.84	26.07	35.31%	3.51%	41.09
ROA	%	3.22	4.24	4.25	2.94	4.25	31.99%	0.24%	3.31
ROE	%	29.62	28.99	27.93	28.02	28.44	-5.71%	-3.66%	29.65
NIM (on AUM)	%	7.21	8.13	8.34	6.90	8.24	15.67%	2.58%	7.27

Details of Key Parameters (Balance Sheet)



Particulars		Q2 FY 2009 10	Q1 FY 2010 11	Q2 FY 2010 11	H1 FY 2009 10	H1 FY 2010 11	% YoY	% QoQ	Year ended FY 2010
Asset under Management									
- On Books	mn	203,555.6	203,172.6	204,485.4	203,555.6	204,485.4	0.46%	0.65%	179,422.7
- Off Books	mn	54,662.5	99,160.6	112,582.8	54,662.5	112,582.8	105.96%	13.54%	111,800.3
Total AUM	mn	258,218.1	302,333.2	317,068.2	258,218.1	317,068.2	22.79%	4.87%	291,223.0
Disbursement									
- Used CV	mn	28,663.1	33,331.3	34,637.3	55,041.5	67,968.6	20.84%	3.92%	118,294.2
- New CV	mn	7,099.8	6,404.8	11,010.9	13,317.2	17,415.6	55.09%	71.92%	28,541.7
Total Disbursement	mn	35,762.9	39,736.1	45,648.2	68,358.7	85,384.2	27.64%	14.88%	146,835.9
Securitisation done	mn	12,084.0	-	25,464.0	14,030.0	25,464.0	110.72%	-	87,568.0
Gross NPA	%	2.29	2.50	2.54	2.29	2.54	10.92%	1.60%	2.83
Net NPA	%	0.66	0.44	0.49	0.66	0.49	-25.76%	11.36%	0.71
Gross NPA	mn	4,676.9	5,095.4	5,223.1	4,676.9	5,223.1	11.68%	2.51%	5,112.7
Net NPA	mn	1,319.0	880.5	977.2	1,319.0	977.2	-25.91%	10.98%	1,248.7
Coverage Ratio	%	71.80	82.72	81.29	71.80	81.29	13.22%	-1.73%	75.58
CRAR	%	16.69	23.23	24.61	16.69	24.61	47.45%	5.94%	21.35
Book Value	Rs.	137.20	183.19	196.44	137.20	196.44	43.18%	7.23%	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 317.1 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 487 branches, and employs 14,936 employees including 8,412 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

