

Shriram Transport Finance Company Ltd.



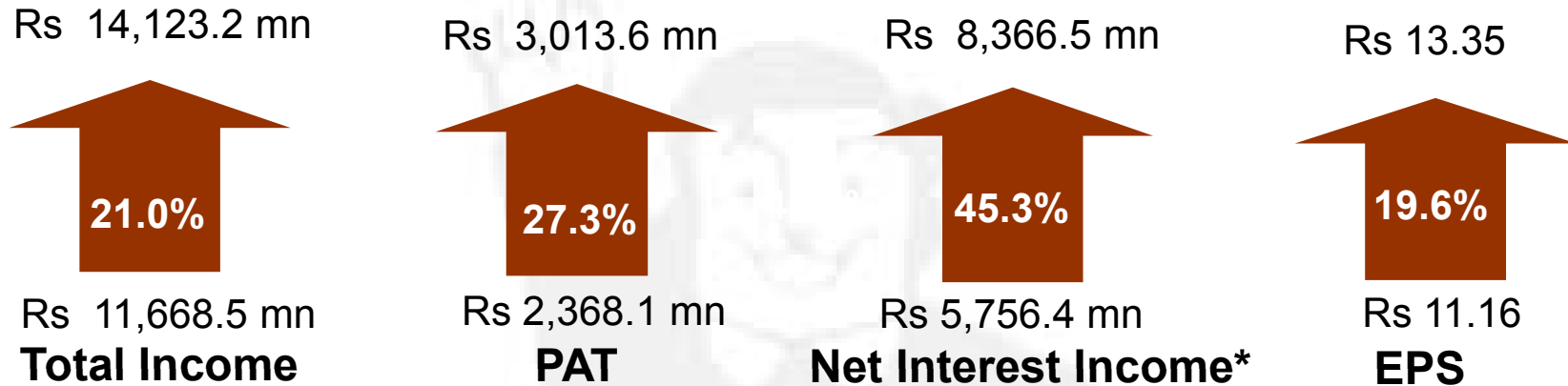
Investor Update

January 31, 2011

Q3 FY 2010 - 11 (October, 2010 to December, 2010)

Sustained Quarterly Growth Trend Continues

Performance Review Q3 FY'10 Vs. Q3 FY'11



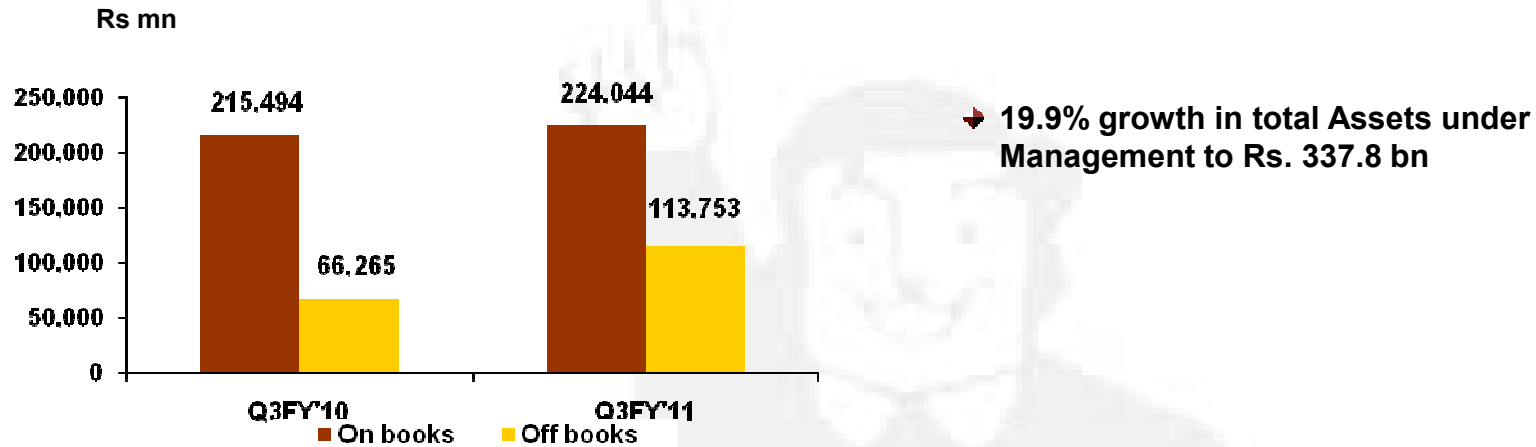
- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Securitisation Income up by 229.3% to Rs 3,978.5 mn from Rs 1,208.2 mn (securitised asset portfolio of Rs 15,598.0 during Q3 FY'11)
 - ✓ Fee for Trading earned Rs. 61.8 mn
- ➔ **Growing operating profits** by 38.3% to Rs 6,351.4 mn from Rs 4,593.1 mn
- ➔ **Net spread increased** to 6.1% from 5.2% due to
 - ✓ **Increase in yield** to 18.5% from 16.9%
 - ✓ **Decrease in interest cost** to 7.1% from 8.3%
- ➔ **Healthy asset quality** with Gross NPAs & Net NPA reduced from 2.54% & 0.49% to 2.40% & 0.47% respectively (QoQ) and the Net NPA in absolute amount stands at Rs. 1,049.9 mn.
- ➔ **Provision on standard assets** has been made first time amounting to Rs. 552.7 mn representing 0.25% on standard assets as per Reserve Bank of India directions to NBFCs
- ➔ **Added 1,011 new employees** to take the total strength to 15,947 including 9,001 field officers (QoQ)

* including Securitisation Income

Driven by Growing AUM

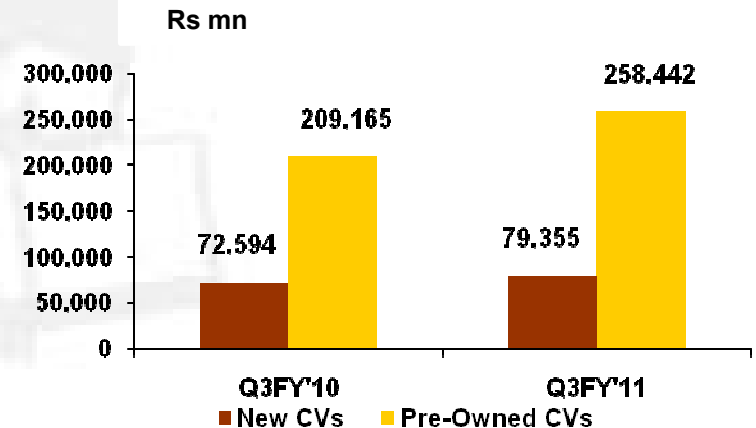


Assets under Management (On books & Off books)



Assets under Management (New & Pre-owned CVs)

→ 76.5% of total Assets under Management in pre-owned CV to Rs 258.4 bn

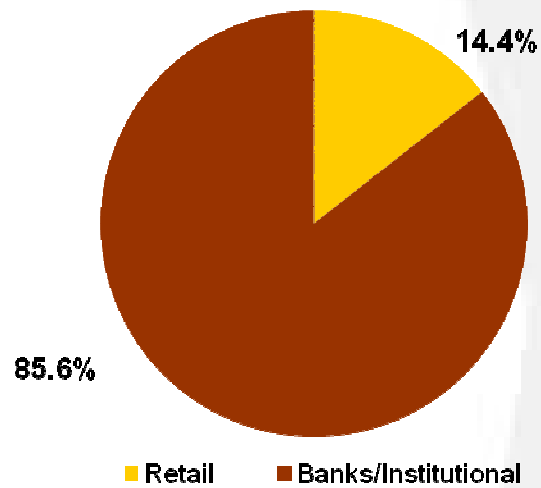


Supported by a Healthy Borrowing Profile

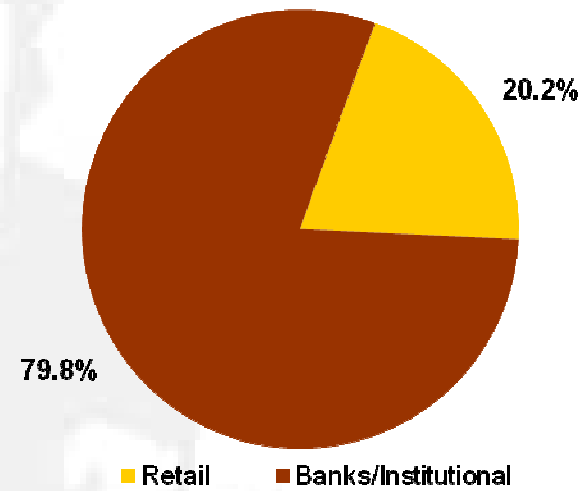


Borrowing Profile

Q3 FY'10 – Rs 225.6 bn



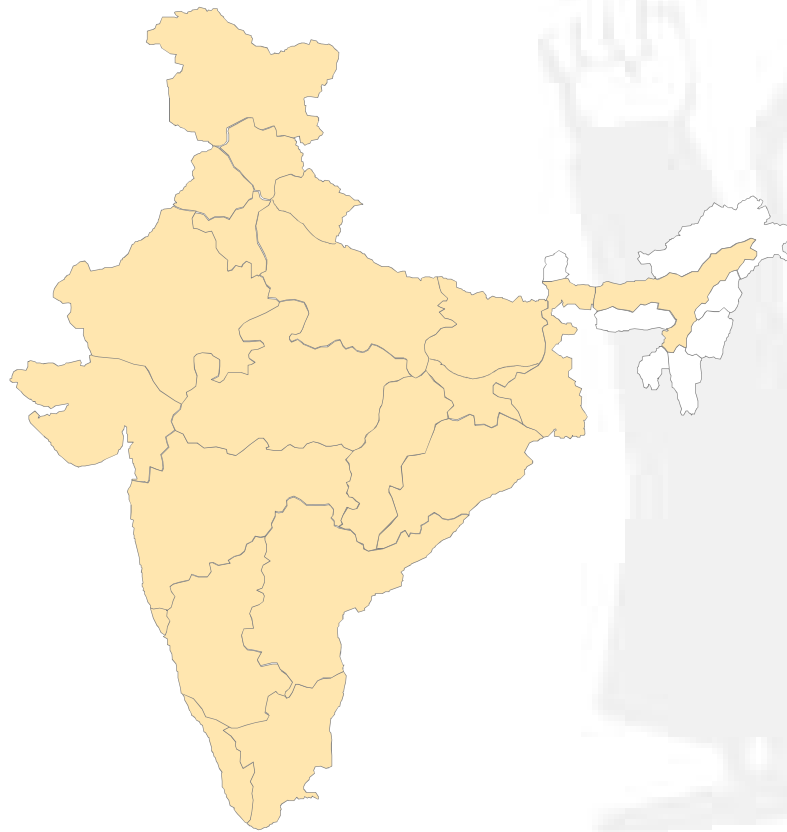
Q3 FY'11 – Rs 211.4 bn



Geographical Reach & Proximity to the Customer



Branch Locations Across India



States with STFC Presence

Pan-India Presence

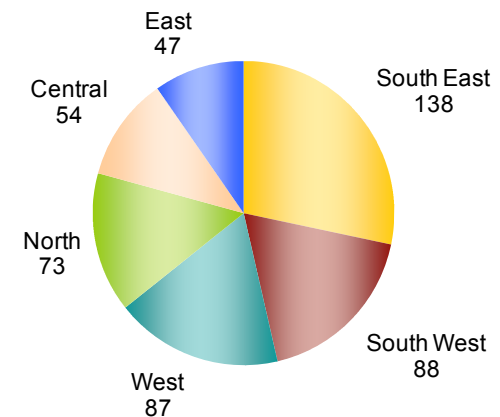
67 SBUs

487 Branch Offices

Tie up with **Over 500** Private Financiers

15,947 Employee including **9,001** Field Officers

Regional Split of Branches

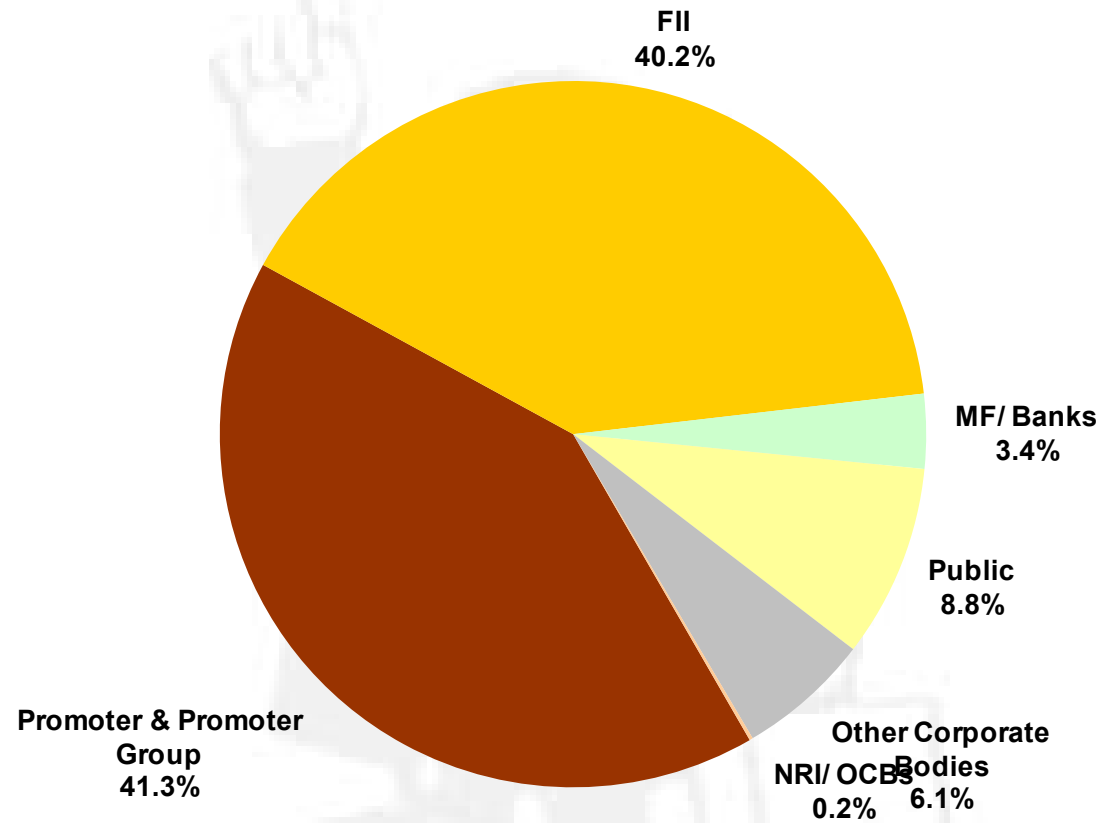


As on December 31, 2010

Shareholding Structure as on December 31, 2010



No. of shares outstanding: 226.16mn



Profit and Loss Statement



	<i>Rs mn</i>								
Profit & Loss Statement	Q3 FY'10	Q1 FY'11	Q2 FY'11	Q3 FY'11	9M FY'10	9M FY'11	YoY %	QoQ %	FY'10
Interest Income	10,256.2	8,739.7	9,561.8	9,784.1	28,764.6	28,085.6	-4.60%	2.33%	37,506.7
Interest expended	5,708.0	5,450.4	5,577.9	5,396.1	16,340.6	16,424.4	-5.46%	-3.26%	21,862.2
Net Interest Income	4,548.2	3,289.3	3,983.9	4,388.0	12,424.0	11,661.2	-3.52%	10.14%	15,644.5
Income from Securitisation	1,208.2	3,724.8	3,542.9	3,978.5	3,289.5	11,246.2	229.29%	12.30%	6,531.0
Net Interest Income including Income from Securitisation	5,756.4	7,014.1	7,526.8	8,366.5	15,713.5	22,907.4	45.34%	11.16%	22,175.5
Fees for trading	75.7	60.6	85.5	61.8	223.6	207.9	-18.32%	-27.72%	305.3
Other Operating Income	63.0	292.3	141.4	108.6	171.8	542.3	72.32%	-23.16%	270.9
Operating Income	5,895.1	7,367.0	7,753.7	8,536.9	16,108.9	23,657.6	44.81%	10.10%	22,751.7
Operating expenditure	1,317.6	1,747.8	2,034.2	2,198.9	3,999.2	5,980.9	66.89%	8.10%	5,511.9
Core Operating Profit (before Provisions & Contingencies)	4,577.5	5,619.2	5,719.5	6,338.0	12,109.7	17,676.7	38.46%	10.81%	17,239.8
Other Income	15.6	6.8	5.4	13.4	66.9	25.6	-14.34%	145.41%	74.9
Operating Profit	4,593.1	5,626.0	5,724.9	6,351.4	12,176.6	17,702.3	38.28%	10.94%	17,314.7
Provisions for Bad Debts	1,005.8	1,280.8	1,263.7	1,234.6	3,057.2	3,779.1	22.74%	-2.30%	4,068.8
Provisions against Standard Assets	-	-	-	552.7	-	552.7	-	-	-
PBT	3,587.3	4,345.2	4,461.2	4,564.1	9,119.4	13,370.5	27.23%	2.31%	13,245.9
Tax	1,219.2	1,455.8	1,471.6	1,550.5	3,032.6	4,477.9	27.17%	5.37%	4,514.7
PAT	2,368.1	2,889.4	2,989.6	3,013.6	6,086.8	8,892.6	27.26%	0.80%	8,731.2
EPS (Rs)	11.16	12.81	13.26	13.35	29.02	39.42	19.62%	0.68%	41.09
Total CRAR %	16.99%	23.23%	23.73%	23.62%	16.99%	23.62%	39.04%	-0.45%	21.35%
Book Value (Rs)	143.79	181.13	194.57	204.68	143.79	204.68	42.34%	5.20%	168.74
Key Ratios (%)	Q3 FY'10	Q1 FY'11	Q2 FY'11	Q3 FY'11	9M FY'10	9M FY'11	YoY %	QoQ %	FY'10
Net Interest Margin	7.22%	5.49%	6.24%	6.69%	6.84%	6.16%	-7.26%	7.21%	6.54%
Return on Avg. Net Worth	31.58%	28.99%	27.93%	26.49%	29.30%	27.75%	-16.11%	-5.15%	29.65%
Return on Avg. Assets	3.45%	4.24%	4.16%	3.99%	3.12%	4.13%	15.49%	-4.18%	3.31%

Balance Sheet

	<i>Rs mn</i>						
	Q3 FY'10	Q1 FY'11	Q2 FY'11	Q3 FY'11	YoY %	QoQ %	FY'10
Balance Sheet							
Liabilities							
Shareholder funds							
Equity Capital	2,128.0	2,255.4	2,255.6	2,261.8	6.29%	0.28%	2,255.4
Reserves	28,822.2	39,060.7	42,054.9	44,428.6	54.15%	5.64%	36,168.4
Loans							
Secured	191,497.5	155,565.6	154,052.3	161,992.4	-15.41%	5.15%	151,724.8
Unsecured	34,063.8	39,723.9	49,381.6	49,434.6	45.12%	0.11%	32,874.3
Current Liabilities	30,035.5	48,324.8	54,437.9	54,989.1	83.08%	1.01%	46,535.9
Total	286,547.0	284,930.4	302,182.3	313,106.5	9.27%	3.62%	269,558.8
Assets							
Fixed Assets	489.9	448.5	427.8	404.0	-17.55%	-5.58%	464.5
Loans & Advances	841.2	1,381.9	1,620.5	1,678.5	99.53%	3.58%	912.9
Cash & Bank balances	50,247.3	40,078.5	48,273.9	39,105.0	-22.17%	-18.99%	45,373.3
Investments	12,549.4	17,665.7	19,054.1	17,448.9	39.04%	-8.42%	18,560.2
Truck receivables	215,492.7	203,172.6	204,485.4	224,043.5	3.97%	9.56%	179,422.7
Deferred Tax Asset	540.5	879.0	1,046.9	1,358.5	151.37%	29.77%	747.2
Current Assets	6,386.0	21,304.2	27,273.7	29,068.1	355.18%	6.58%	24,078.0
Total	286,547.0	284,930.4	302,182.3	313,106.5	9.27%	3.62%	269,558.8
Spread Analysis							
Total Income/ Avg. total assets	16.94%	18.83%	18.57%	18.46%			16.94%
Interest cost/ Avg. total assets	8.32%	8.00%	7.77%	7.14%			8.29%
Gross Spread	8.62%	10.83%	10.80%	11.32%			8.65%
NPA provisioning/ Avg. total assets	1.47%	1.88%	1.76%	1.63%			1.54%
Provisioning for standard assets/ Avg. total assets	0.00%	0.00%	0.00%	0.73%			0.00%
Overhead Cost/ Avg. total assets	1.92%	2.57%	2.83%	2.91%			2.09%
Net Spread	5.23%	6.38%	6.21%	6.05%			5.02%

Details of Key Parameters (Profit & Loss Account)

Details of Key Parameters (Profit & Loss)										
Particulars		Q3 FY 2009 10	Q1 FY 2010 11	Q2 FY 2010 11	Q3 FY 2010 11	9 months FY 2009 10	9 months FY 2010 11	% YoY	% QoQ	Year ended FY 2010
Total Income	mn	11,668.5	12,869.3	13,429.0	14,123.2	32,676.8	40,421.5	21.04%	5.17%	44958.7
Interest Income	mn	10,256.2	8,739.7	9,561.8	9,784.1	28,764.6	28,085.6	-4.60%	2.32%	37506.7
Securitisation Income	mn	1,208.2	3,724.8	3,542.9	3,978.5	3,289.5	11,246.2	229.29%	12.30%	6531.0
Total Interest Income	mn	11,464.4	12,464.5	13,104.7	13,762.6	32,054.1	39,331.8	20.05%	5.02%	44037.7
Less : Interest Expenses	mn	5,708.0	5,450.4	5,577.9	5,396.1	16,340.6	16,424.4	-5.46%	-3.26%	21862.2
Net Interest Income	mn	5,756.4	7,014.1	7,526.8	8,366.5	15,713.5	22,907.4	45.34%	11.16%	22175.5
Other Income	mn	78.6	299.1	146.8	122.0	238.7	567.9	55.22%	-16.89%	345.8
Fee for Trading	mn	75.7	60.6	85.5	61.8	223.6	207.9	-18.36%	-27.72%	305.3
Total Income	mn	5,910.7	7,373.8	7,759.1	8,550.3	16,175.8	23,683.2	44.66%	10.20%	22826.6
Cost to Income Ratio	%	22.29	23.70	26.22	25.72	24.72	25.25	15.39%	-1.91%	24.15
Profit after Tax	mn	2,368.1	2,889.4	2,989.6	3,013.6	6,086.8	8,892.6	27.26%	0.80%	8731.2
EPS	Rs.	11.16	12.81	13.26	13.35	29.02	39.42	19.62%	0.68%	41.09
ROA	%	3.45	4.24	4.16	3.99	3.12	4.13	15.65%	-4.09%	3.31
ROE	%	31.58	28.99	27.93	26.49	29.30	27.75	-16.12%	-5.16%	29.65
NIM (on AUM)	%	7.37	8.13	8.34	8.91	7.06	8.47	20.90%	6.83%	7.27

Details of Key Parameters (Balance Sheet)

Details of Key Parameters (Balance Sheet)										
Particulars		Q3 FY 2009 10	Q1 FY 2010 11	Q2 FY 2010 11	Q3 FY 2010 11	9 months FY 2009 10	9 months FY 2010 11	% YoY	% QoQ	Year ended FY 2010
Asset under Management										
- On Books	mn	215,493.6	203,172.6	204,485.4	224,043.5	215,493.6	224,043.5	3.97%	9.56%	179,422.7
- Off Books	mn	66,265.1	99,160.6	112,582.8	113,753.3	66,265.1	113,753.3	71.66%	1.04%	111,800.3
Total AUM	mn	281,758.7	302,333.2	317,068.2	337,796.8	281,758.7	337,796.8	19.89%	6.54%	291,223.0
Disbursement										
- Used CV	mn	32,355.5	33,331.3	34,637.3	36,428.2	87,397.0	104,396.8	12.59%	5.17%	118,294.2
- New CV	mn	7,091.7	6,404.8	11,010.9	15,012.1	20,408.9	32,427.7	111.69%	36.34%	28,541.7
Total Disbursement	mn	39,447.2	39,736.1	45,648.2	51,440.3	107,805.9	136,824.5	30.40%	12.69%	146,835.9
Securitisation done	mn	18,593.0	-	25,464.0	15,598.0	32,623.0	41,062.0	-16.11%	-38.74%	87,568.0
Gross NPA	%	2.43	2.50	2.54	2.40	2.43	2.40	-1.23%	-5.51%	2.83
Net NPA	%	0.68	0.44	0.49	0.47	0.68	0.47	-30.88%	-4.08%	0.71
Gross NPA	mn	5,245.2	5,095.4	5,223.1	5,428.4	5,245.2	5,428.4	3.49%	3.93%	5,112.7
Net NPA	mn	1,439.3	880.5	977.2	1,049.9	1,439.3	1,049.9	-27.05%	7.44%	1,248.7
Coverage Ratio	%	72.56	82.72	81.29	80.66	72.56	80.66	11.16%	-0.78%	75.58
CRAR	%	16.99	23.23	23.73	23.62	16.99	23.62	39.02%	-0.46%	21.35
Book Value	Rs.	143.79	181.13	194.57	204.68	143.79	204.68	42.35%	5.20%	168.74



**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 337.8 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 67 SBUs and 487 branches, and employs 15,947 employees including 9,001 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

