



SHRIRAM TRANSPORT FINANCE COMPANY LIMITED



INVESTOR UPDATE

August 1, 2007

QUARTER ENDED JUNE 30, 2007

 **Four-S Services**
Strategies and Services for Stakeholder Success

71% YoY increase in operating income to Rs 4,711mn

Profit after Tax up 87% YoY to Rs 767mn
Total Assets Under Management stands at Rs 129bn

Financial Highlights - (Q1 FY'08 v/s Q1 FY'07)

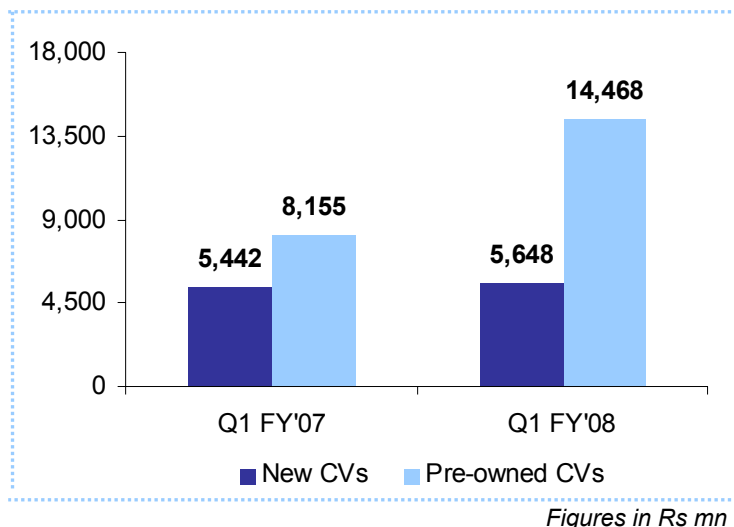
- **Operating Income up 71.3% to Rs 4,711mn:**
 - ✓ Fund-based Income up 63.7% to Rs 4,432.3mn.
 - ✓ Securitisation Income up to Rs 254.7mn from Rs 10.8mn.
- **Core Operating Profits up 83.3% to Rs 1,707mn.**
- **PAT up 86.9% to Rs 767mn.**
- **Total disbursements up 48% to Rs 20,116mn.** Pre-owned CV disbursements comprised 71.9% of total disbursements.
- **Net Interest Margin stands at 8.2%.**
- **Net Spread expanded to 4.24% from 3.74%.**
- **RoE increased to 27.3% from 19.0%.**
- **Healthy asset quality with Gross NPAs at 2.07% and Net NPAs at 1.22%.**

Operational & Other Highlights (Q1 FY'08)

- **Strengthened the marketing set-up** with addition of 13 divisional offices & 25 branch offices taking the total count of divisional offices to 85 & branch network strength to 383.
- **Allotted 6.9mn equity shares** of Rs 10 each at premium of Rs 102 against Optionally Convertible Warrants to **Shriram Holding (Madras) Pvt. Ltd.**

Balance Sheet Analysis

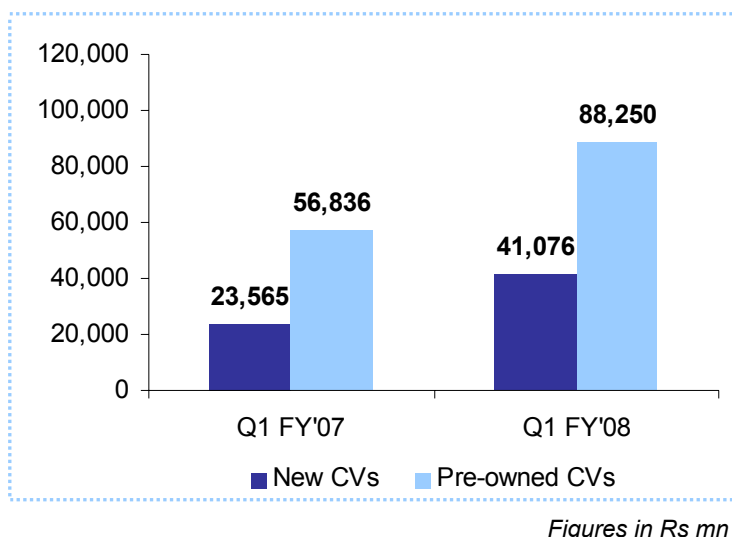
Disbursements



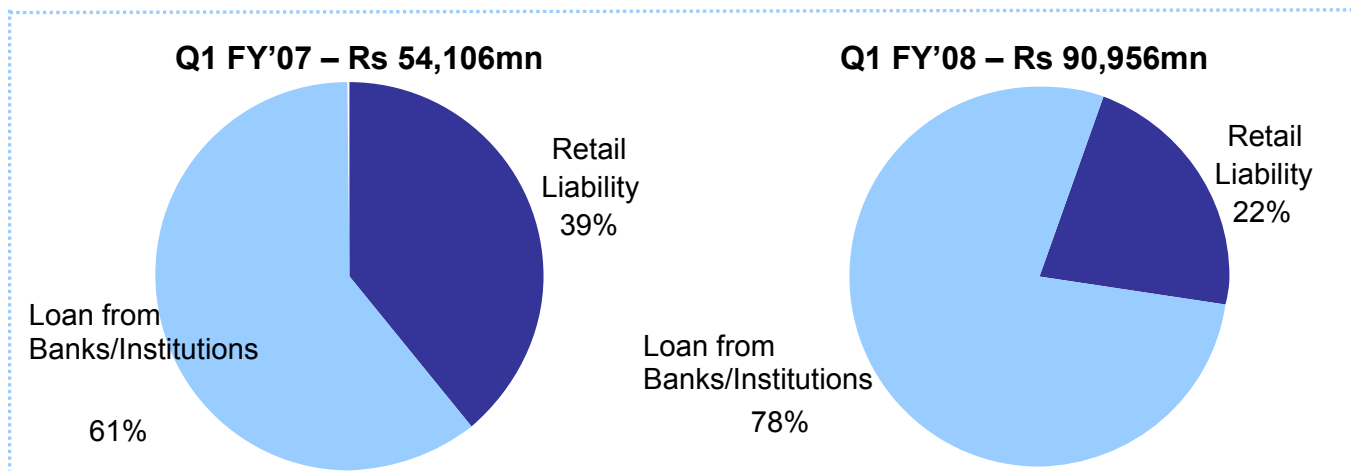
77% YoY increase in Pre-owned CV disbursements

Total Assets under Management grew by 61% YoY and 7.4% QoQ to Rs 129bn

Assets under Management



Borrowing Profile



Financials – Quarterly

Profit and Loss Statement

Figures in Rs mn

Profit & Loss Statement	Q1 FY'07	Q4 FY'07	Q1 FY'08	YoY %	QoQ %
Income from Financing operations					
- Fund Based	2,707.1	4,299.7	4,432.3	63.7%	3.1%
- Income from Securitisation	10.8	38.9	254.7	2251.9%	555.1%
- Fee based	32.1	17.0	23.5	(26.9%)	38.3%
Operating Income	2,750.1	4,355.6	4,710.5	71.3%	8.1%
Interest expended	1,383.8	2,454.1	2,306.3	66.7%	(6.0%)
Personnel cost	158.6	209.7	254.2	60.3%	21.2%
Operating expenditure	276.3	487.8	443.0	60.3%	-9.2%
Core Operating Profit (Profit before Provisions & Contingencies)	931.4	1,203.9	1,707.0	83.3%	41.8%
Other Income	0.9	18.2	0.9	(4.0%)	(95.3%)
Operating Profit	932.3	1,222.1	1,707.9	83.2%	39.7%
Provisions and Writeoffs	300.1	530.2	543.2	81.0%	2.5%
PBT	632.2	691.9	1,164.7	84.2%	68.3%
Tax	221.8	208.3	397.7	79.3%	91.0%
PAT	410.4	483.7	767.0	86.9%	58.6%
EPS	2.43	2.76	4.18	72.0%	51.4%
Book Value	52.28	58.98	63.27	21.0%	7.3%

Key Ratios

Key Ratios (%)	Q1 FY'07	Q4 FY'07	Q1 FY'08
Avg. Yield on interest earning assets	17.71%	18.37%	17.09%
Avg. Cost of funds	10.50%	11.71%	9.96%
Net Interest Margin	8.66%	7.88%	8.20%
Return on Avg. Net Worth	19.02%	18.63%	27.25%
Return on Avg. Assets	2.43%	1.93%	2.79%
Fee-Income % of Total income	4.67%	1.55%	1.99%
Interest Coverage Ratio	1.99	1.78	2.04

Balance Sheet

Figures in Rs mn

Balance Sheet	Q1 FY'07	Q4 FY'07	Q1 FY'08
Liabilities			
Shareholder Funds			
Equity Capital	1,692	1,842	1,842
Reserves	7,178	9,022	9,813
Loans			
Secured	45,953	63,389	63,660
Unsecured	8,732	23,995	27,296
Current Liabilities	8,029	8,645	8,614
Deferred Tax Liability	1,337	866	866
Total	72,921	107,759	112,091
Assets			
Fixed Assets	1,597	1,675	1,668
Loans & Advances	820	589	576
Cash & Bank balances	3,785	17,527	8,985
Investments	92	2,246	918
Truck receivables	63,452	83,748	95,840
Current Assets	3,175	1,975	4,104
Total	72,921	107,759	112,091

Spread Analysis

Spread Analysis	Q1 FY'07	Q4 FY'07	Q1 FY'08
Total Income/ Avg. total assets	16.29%	17.46%	17.14%
Interest cost/ Avg. total assets	8.19%	9.79%	8.39%
Gross Spread	8.10%	7.66%	8.75%
NPA provisioning/ Avg. total assets	1.78%	2.12%	1.98%
Overhead Cost/ Avg. total assets	2.58%	2.78%	2.54%
Net Spread	3.74%	2.76%	4.24%

About Shriram Transport Finance Co. Ltd.

Shriram Transport Finance Co Ltd. is the largest asset financing NBFC with assets under management of Rs 129bn. The company is a leader in organized financing of pre-owned trucks with strategic presence in 4-10 year old trucks and a market share of 20-25%. It has a pan-India presence with a network of 6 regional offices, 85 divisional offices and 383 branches, and employs more than 5,000 employees including 2,000 field officers. The company has built a strong customer base of over 0.5mn. Over the past 27 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: New CV financing (via Portfolio management Services), Pre-owned CV financing and other loans like accidental repair loans, tyre loans and working capital finance, etc. The company is supported by strong private equity investors like TPG New Bridge, Chrys Capital, Citicorp, Quantum & UTI Bank providing it growth capital support. For more information please visit www.stfc.in.

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Four-S Services provides customized business and financial research to organizations across the globe. The company also provides Investor Relations consulting to corporates based on in-depth sectoral and company research. The company has an impressive client profile and a team of experienced analysts covering the key sectors including Finance & Banking, IT & Telecom, Retail, Media & Entertainment, Pharmaceuticals, Infrastructure and Manufacturing amongst others. For further information on the company please visit www.four-s.com.

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.

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