



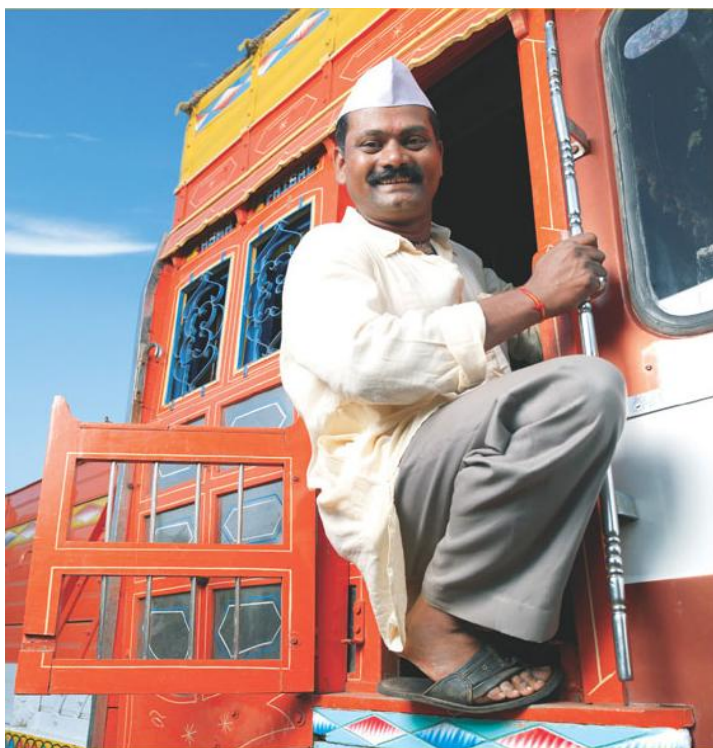
Investor Update

Shriram Transport Finance Company Ltd. Q2 FY 09 (July, 08 to September, 08)



October 24, 2008

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INDIA'S LARGEST ASSET-FINANCING NBFC.

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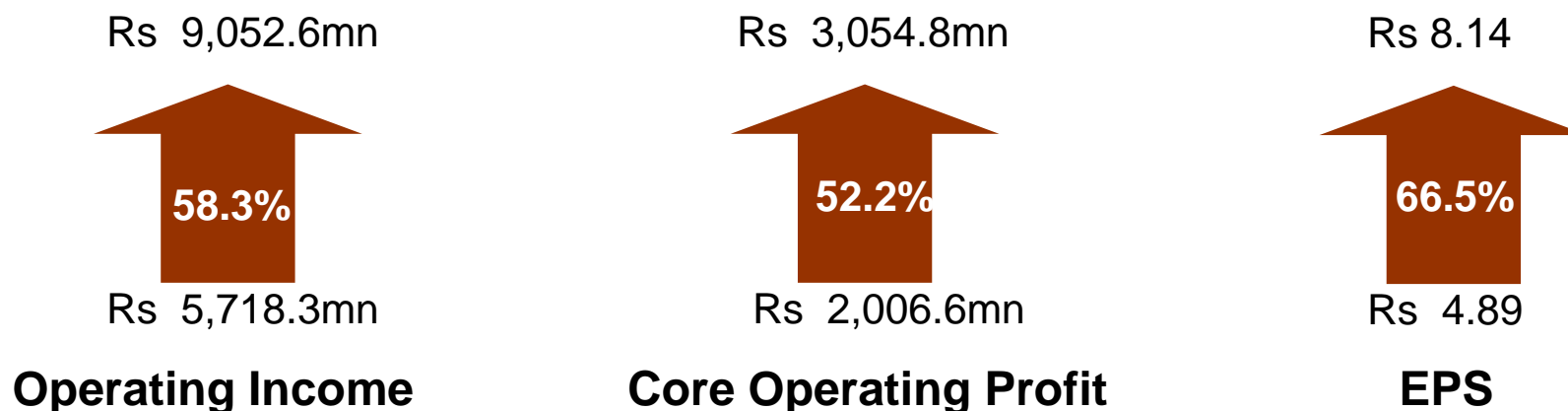
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Financial Statements

Sustained Quarterly Growth Trend Continues



Performance Review Q2 FY'09 Vs. Q2 FY'08

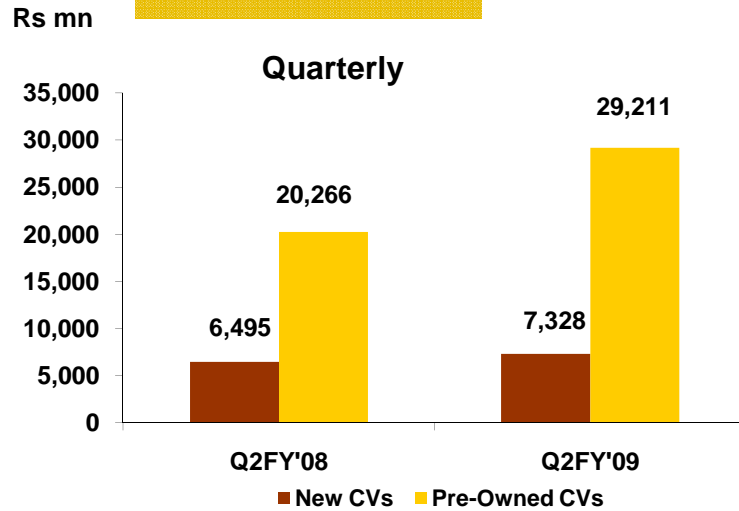


- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Fund-based Income up 55.6% to Rs 8,336.4mn from Rs 5,358.0mn
 - ✓ Securitisation Income up 105.1% to Rs 710.3mn from Rs 346.3mn (securitised asset portfolio of Rs 6,135mn during Q2FY'09)
- ➔ **Growing core operating profits by 52.2% to Rs 3,054.8mn from Rs 2,006.6mn**
- ➔ **Net spread increased to 4.83% from 4.56% due to**
 - ✓ **Reduction in NPA provisioning** as a percentage of total assets to 1.38% from 1.83%
- ➔ **Healthy asset quality** with Gross NPAs increased marginally to 1.74% from 1.71% and Net NPAs declining to 0.91% from 1.06%
- ➔ **An Interim Dividend** of Rs. 1.00 (10%) per share declared.

Driven by Growing Disbursements & AUM



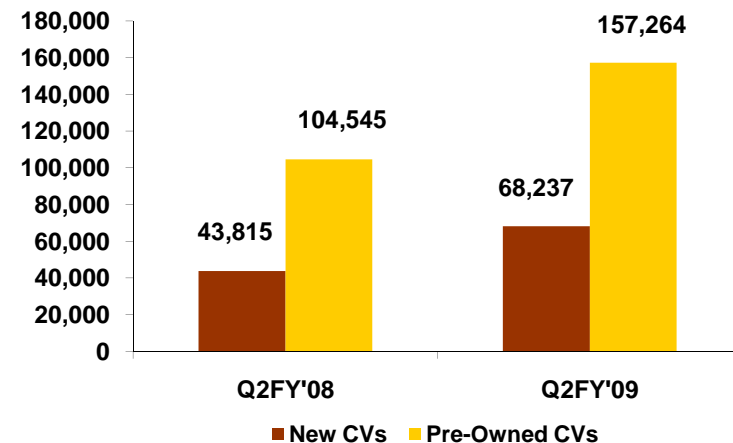
Disbursements



→ 44.1% YoY increase in Pre-owned CV disbursements

→ 52% growth in Total Assets under Management to Rs 225.50bn

Assets under Management

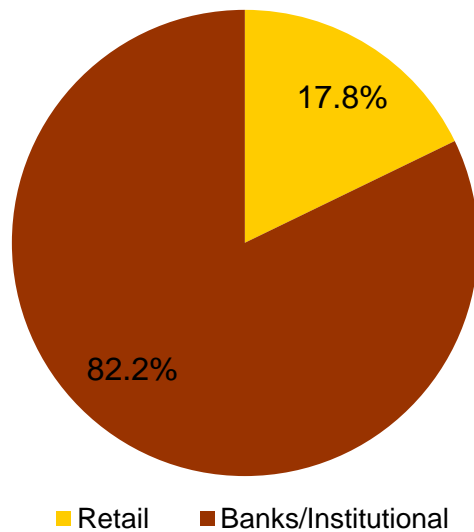


Supported by a Healthy Borrowing Profile

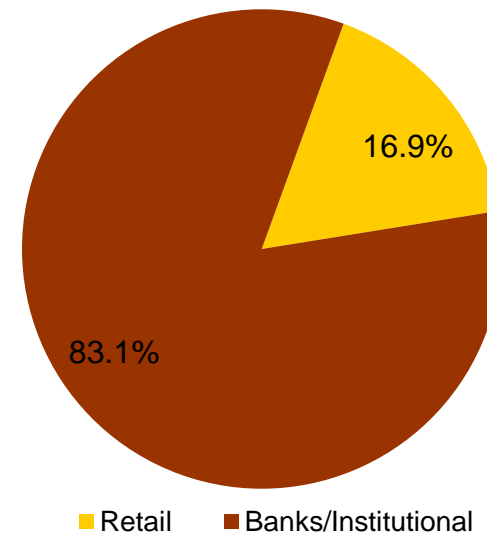


Borrowing Profile

Q2 FY'08 – Rs 114.28bn



Q2 FY'09 – Rs 171.06bn



➔ Growing access to funds from Banks and institutions

With Growing Support Infrastructure



- ➔ **Strengthened the marketing set-up** with addition of 12 branch offices to take the branch network to 462
- ➔ **Pan India presence** with 50 SBUs
- ➔ **Added 1,893 new employees** to take the total strength to 12,619 including 6,568 field officers

Note: Additions for the quarter ended September 30, 2008

Financial Statements



Profit and Loss Statement

Figures in Rs mn

Profit & Loss Statement	Q2 FY'08	Q1 FY'09	Q2 FY'09	H1 FY'08	H1 FY'09	YoY %	QoQ %	FY'08
Income from Financing operations								
- Fund Based	5,358.0	7,521.4	8,336.4	9,829.1	15,857.7	55.6%	10.8%	23,365.9
- Income from Securitisation	346.3	824.5	710.3	649.1	1,534.8	105.1%	-13.9%	1,508.7
- Fee based	14.0	7.5	5.9	41.6	13.5	-57.7%	-21.0%	58.1
Other Operating Income								
Operating Income	5,718.3	8,353.4	9,052.6	10,519.8	17,406.0	58.3%	8.4%	24,932.7
Interest expended	2,980.7	4,286.7	4,683.3	5,304.1	8,970.1	57.1%	9.3%	12,966.2
Personnel cost	241.7	481.4	521.6	514.0	1,003.0	115.8%	8.4%	1,254.8
Operating expenditure	489.3	747.8	792.9	946.6	1,540.6	62.0%	6.0%	2,344.7
Core Operating Profit (before Provisions & Contingencies)	2,006.6	2,837.5	3,054.8	3,755.1	5,892.3	52.2%	7.7%	8,367.0
Other Income	2.1	1.6	5.0	4.8	6.6	141.8%	206.5%	8.5
Operating Profit	2,008.8	2,839.1	3,059.8	3,759.9	5,898.9	52.3%	7.8%	8,375.5
Provisions for Bad Debts	575.1	631.8	680.5	1,143.7	1,312.2	18.3%	7.7%	2,317.2
PBT	1,433.6	2,207.3	2,379.3	2,616.2	4,586.7	66.0%	7.8%	6,058.3
Tax	510.5	771.2	723.1	943.4	1,494.3	41.6%	-6.2%	2,160.1
PAT	923.1	1,436.1	1,656.2	1,672.8	3,092.4	79.4%	15.3%	3,898.2
EPS (Rs)	4.89	7.07	8.14	8.99	15.21	66.5%	15.1%	20.26
Book Value (Rs)	69.36	96.56	104.67	69.36	104.67	50.9%	8.4%	89.44
Key Ratios (%)								FY'08
Yield on Interest earning assets	17.77%	17.16%	17.60%	17.36%	17.39%			17.46%
Cost of interest bearing Liabilities	11.10%	11.07%	11.23%	10.56%	11.16%			10.82%
Net Interest Margin	7.88%	7.38%	7.71%	7.99%	7.55%			7.77%
Return on Avg. Net Worth	29.67%	30.41%	32.38%	26.89%	30.23%			27.17%
Return on Avg. Assets	2.94%	3.13%	3.36%	2.83%	3.25%			2.77%
Fee-Income % of Total income	0.98%	0.36%	0.26%	0.79%	0.15%			0.23%
Interest Coverage Ratio	1.92	1.95	1.93	1.98	1.94			1.92

Financial Statements



Balance Sheet

Figures in Rs mn

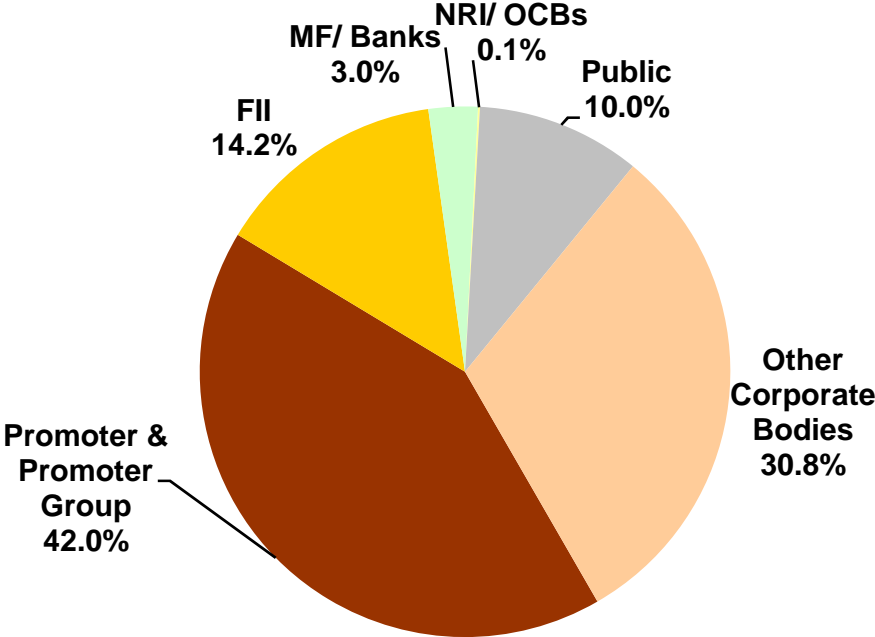
Balance Sheet	Q2 FY'08	Q1 FY'09	Q2 FY'09	H1 FY'08	H1 FY'09	FY'08
Liabilities						
Shareholder Funds						
Equity Capital	1,911.3	2,032.5	2,035.0	1,911.3	2,035.0	2,031.6
Reserves	11,344.5	17,586.3	19,263.3	11,344.5	19,263.3	16,132.0
Preference Capital						
Loans						
Secured	83,565.4	114,573.3	132,232.1	83,565.4	132,232.1	115,539.0
Unsecured	30,714.7	34,271.4	38,827.9	30,714.7	38,827.9	32,324.5
Current Liabilities	9,123.8	16,409.4	16,201.5	9,123.8	16,201.5	15,058.1
Deferred Tax Liability	866.2	183.8	183.8	866.2	183.8	359.2
Total	137,525.9	185,056.7	208,743.6	137,525.9	208,743.6	181,444.4
Assets						
Fixed Assets	1,641.6	1,335.5	1,269.8	1,641.6	1,269.8	1,426.4
Loans & Advances	472.4	810.3	820.6	472.4	820.6	688.6
Cash & Bank balances	12,261.6	14,650.4	16,751.8	12,261.6	16,751.8	12,502.5
Investments	2,158.0	3,564.4	7,273.5	2,158.0	7,273.5	13,851.2
Truck receivables	118,820.7	163,050.3	180,379.0	118,820.7	180,379.0	151,191.3
Current Assets	2,171.6	1,645.8	2,248.9	2,171.6	2,248.9	1,784.4
Total	137,525.9	185,056.7	208,743.6	137,525.9	208,743.6	181,444.4

Spread Analysis	Q2 FY'08	Q1 FY'09	Q2 FY'09	H1 FY'08	H1 FY'09	FY'08
Total Income/ Avg. total assets	18.21%	18.24%	18.40%	17.80%	18.32%	17.74%
Interest cost/ Avg. total assets	9.49%	9.36%	9.51%	8.97%	9.44%	9.22%
Gross Spread	8.72%	8.88%	8.89%	8.83%	8.88%	8.52%
NPA provisioning/ Avg. total assets	1.83%	1.38%	1.38%	1.93%	1.38%	1.65%
Overhead Cost/ Avg. total assets	2.33%	2.68%	2.67%	2.47%	2.68%	2.56%
Net Spread	4.56%	4.82%	4.83%	4.42%	4.83%	4.31%

Shareholding Structure as on 30th September 2008



No. of shares outstanding: 203.47mn



Contact Us



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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 over Rs 225.5bn. 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 6 regional offices, 50 SBUs and 462 branches, and employs 12,619 employees including 6,568 field officers. The company has built a strong customer base of over 0.6mn. Over the past 29 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. The company is supported by strong institutional investors like TPG New Bridge, Chrys Capital, Tiger Global, Blue Ridge, Citicorp, & Axis Bank providing it growth capital support. 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.