



Investor Update

Shriram Transport Finance Company Ltd.

October - December, 2007



January 23, 2008



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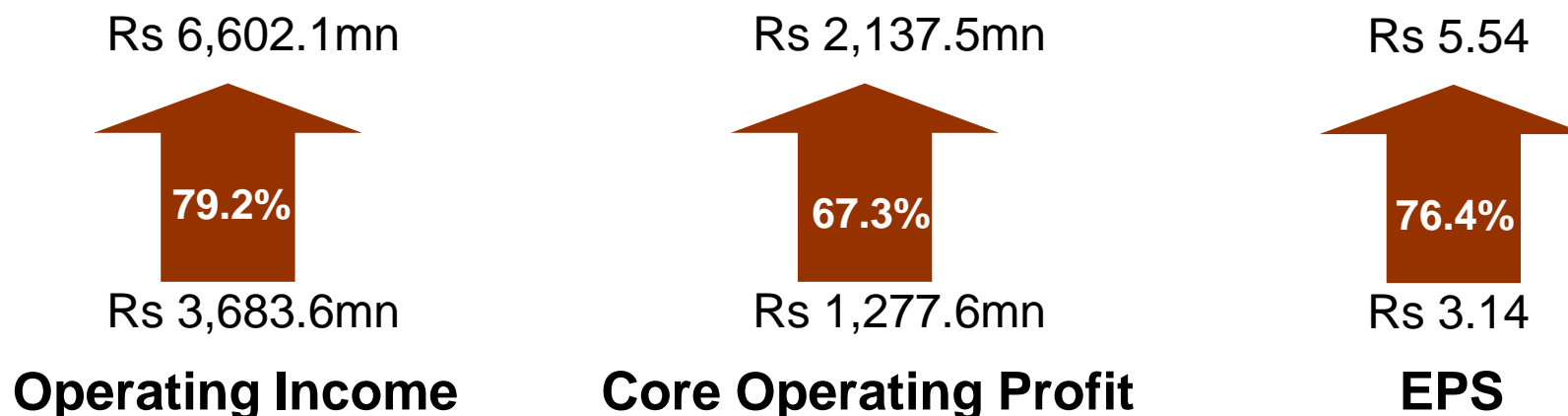
INDIA'S LARGEST ASSET-FINANCING NBFC.

- 1 Financial Analysis
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Growth Momentum Continues.....



Performance Review Q3 FY'08 Vs. Q3 FY'07

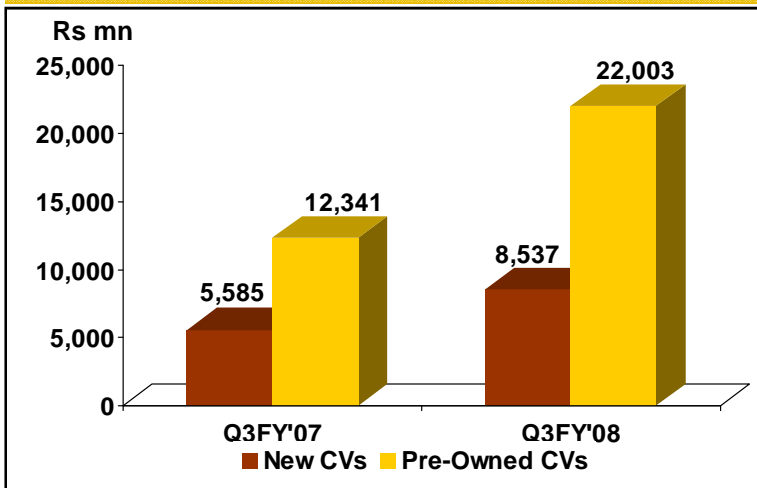


- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Fund-based Income up 74.6% to Rs 6,242.0mn from Rs 3,575.3mn
 - ✓ Securitisation Income up to Rs 346.7mn from Rs 70.9mn (securitised asset portfolio of Rs 10,173.5mn during Q3FY'08)
- ➔ **Growing core operating profits driven by improving cost to income ratio due to economies of scale**
 - ✓ Cost to income ratio declined to 26.8% from 29.6%
- ➔ **Net spread increased to 4.25% from 4.02% driven by reduction in overhead expenses as a percentage of total assets to 2.1% from 2.5%**
- ➔ **Healthy asset quality with Gross NPAs at 1.63% and Net NPAs at 1.01%**

Driven by Growing Disbursements & AUM



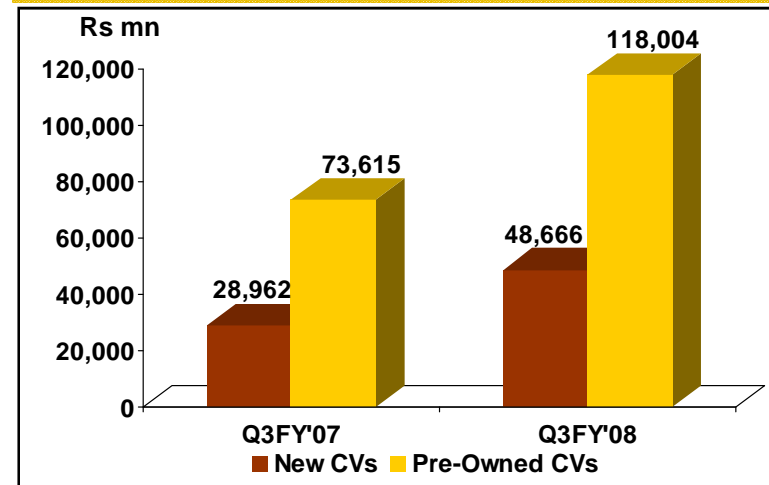
Disbursements



↘ 78.3% YoY increase in Pre-owned CV disbursements

↘ 62.5% growth in Total Assets under Management to Rs166.67bn

Assets under Management

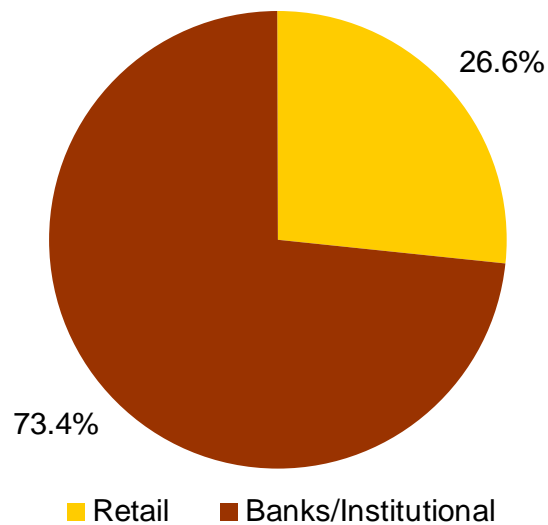


Supported by a Healthy Borrowing Profile....

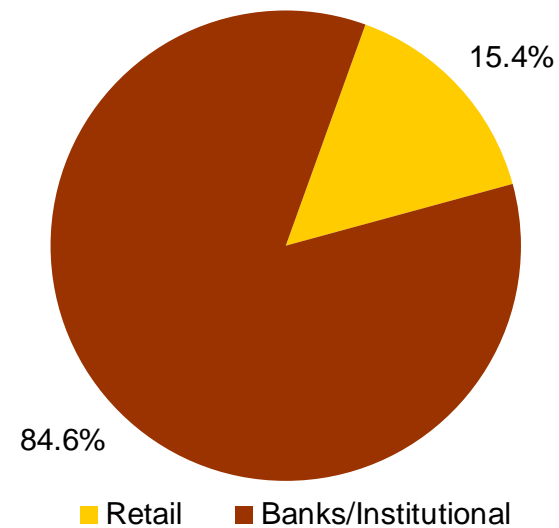


Borrowing Profile

Q3 FY'07 – Rs 73.26bn



Q3 FY'08 – Rs 137.23bn



➔ Growing access to low cost funds from Banks and institutions

And Fresh Infusion of Equity to Support Future Growth



➔ **Raised Rs 6,000mn through preferential allotment** of equity shares and optionally convertible warrants at a price of Rs 300 per share/warrants

- **Reputed investors subscribed to 12mn shares** at a price of Rs 300 per share
 - ✓ 6.8mn equity shares to Blue Ridge Limited Partnership and affiliates
 - ✓ 4.0mn equity shares to Tiger Global Management LLC and affiliates
 - ✓ 1.2mn equity shares to Kampani Finance Limited, a JM Finance group company
- **With backing from the promoter group and TPG Newbridge**
 - ✓ 8.0mn warrants to Shriram Holdings (Madras) Private Limited (wherein Shriram promoters and TPG Newbridge have equity in the ratio of 51:49) at a subscription price of Rs.30/- for each warrant conferring an option to the holder to subscribe to one equity share per warrant at an exercise price of Rs.300/- per warrant within 18 months

Shareholding Pattern

In Mn

Key Shareholders	Current	% age	Post conversion of Warrants	% age
Promoters + TPG Newbridge	85.37	42.0%	93.37	44.2%
Chrys Capital	35.06	17.3%	35.06	16.6%
Citicorp Finance	7.81	3.8%	7.81	3.7%
Goldman Sachs Investments	6.44	3.2%	6.44	3.0%
Blue Ridge Ltd and Affiliates	6.80	3.3%	6.80	3.2%
Morgan Stanley	3.92	1.9%	3.92	1.9%
Quantum	3.47	1.7%	3.47	1.6%
HDFC Mutual Fund	2.66	1.3%	2.66	1.3%
Tiger Global	2.45	1.2%	2.45	1.2%
Public and Others	49.15	24.2%	49.15	23.3%
Total	203.14	100.0%	211.14	100.0%

With Growing Support Infrastructure



- ➔ **Strengthened the marketing set-up** with addition of 11 branch offices to take the branch network to 402
- ➔ **Added 1,207 new employees** to take the total strength to 7,525 including 3,655 field officers
- ➔ **Total customer base crossed 600,000**

Note: Additions for the quarter ended December 31, 2007

Financial Statements – Quarterly



Profit and Loss Statement

Figures in Rs mn

Particulars	Q3 FY'07	Q2 FY'08	Q3 FY'08	YoY %	QoQ %
Income from Financing operations					
- Fund Based	3,575.3	5,358.1	6,242.0	74.6%	16.5%
- Income from Securitisation	70.9	346.3	346.7	388.7%	0.1%
- Fee Based	37.3	14.0	13.5	-63.8%	-3.8%
Operating Income	3,683.6	5,718.4	6,602.1	79.2%	15.5%
Interest Expended	1,867.7	2,980.7	3,681.2	97.1%	23.5%
Personnel Cost	172.9	238.5	284.8	64.7%	19.4%
Operating Expenditure	365.4	492.6	498.7	36.5%	1.2%
Core Operating Profit (before Provisions & Contingencies)	1,277.6	2,006.7	2,137.5	67.3%	6.5%
Other Income	8.5	2.1	5.9	-30.9%	186.0%
Operating Profit	1,286.1	2,008.8	2,143.4	66.7%	6.7%
Provisions for Bad Debts	404.6	575.2	525.6	29.9%	-8.6%
PBT	881.5	1,433.6	1,617.8	83.5%	12.8%
Tax	331.7	510.5	546.8	64.9%	7.1%
PAT	549.8	923.1	1,071.0	94.8%	16.0%
EPS (Rs)	3.14	4.89	5.54	76.4%	13.3%
Book Value (Rs)	56.57	69.36	88.35	56.2%	27.4%

Key Ratios (%)	Q3 FY'07	Q2 FY'08	Q3 FY'08
Yield on Interest Earning Assets	17.91%	17.76%	17.41%
Cost of Interest Bearing Liabilities	10.33%	11.10%	11.26%
Net Interest Margin	8.55%	7.88%	7.14%
Return on Avg. Net Worth	22.68%	29.67%	27.46%
Return on Avg. Assets	2.51%	2.94%	2.81%
Fee-Income % of Total income	4.04%	0.98%	0.82%
Interest Coverage Ratio	1.98	1.92	1.80

Financial Statements – Quarterly



Balance Sheet

Figures in Rs mn

Balance Sheet	Q3 FY'07	Q2 FY'08	Q3 FY'08
Liabilities			
Shareholder Funds			
Equity Capital	1,749.3	1,911.3	2,031.4
Reserves	8,147.2	11,344.5	15,915.3
Preference Capital			
Loans			
Secured	60,660.9	83,565.4	104,502.9
Unsecured	12,600.9	30,714.7	32,724.3
Current Liabilities	8,194.3	9,124.9	10,957.6
Deferred Tax Liability	1,336.9	866.2	866.2
Total	92,689.4	137,526.9	166,997.6
Assets			
Fixed Assets	1,615.3	1,642.7	1,602.9
Loans & Advances	626.2	472.4	673.8
Cash & Bank Balances	4,791.3	12,261.6	23,548.0
Investments	186.0	2,158.0	7,363.8
Truck Receivables	82,113.2	118,856.6	130,294.1
Current Assets	3,357.4	2,135.6	3,515.0
Total	92,689.4	137,526.9	166,997.6

Spread Analysis	Q3 FY'07	Q2 FY'08	Q3 FY'08
Total Income/ Avg. Total Assets	16.84%	18.21%	17.36%
Interest Cost/ Avg. Total Assets	8.52%	9.49%	9.67%
Gross Spread	8.32%	8.72%	7.69%
NPA Provisioning/ Avg. Total Assets	1.85%	1.83%	1.38%
Overhead Cost/ Avg. Total Assets	2.45%	2.33%	2.06%
Net Spread	4.02%	4.56%	4.25%

Financial Statements – Nine Months



Profit and Loss Statement

Figures in Rs mn

Particulars	9M FY'07	9M FY'08	YoY %
Income from Financing operations			
- Fund Based	9,541.3	16,071.0	68.4%
- Income from Securitisation	103.3	995.8	864.2%
- Fee Based	113.3	55.1	-51.4%
Operating Income	9,757.9	17,121.9	75.5%
Interest Expended	4,929.2	8,985.3	82.3%
Personnel Cost	509.0	794.0	56.0%
Operating Expenditure	1,010.2	1,450.0	43.5%
Core Operating Profit (before Provisions & Contingencies)	3,309.5	5,892.6	78.0%
Other Income	25.9	10.7	-58.6%
Operating Profit	3,335.4	5,903.3	77.0%
Provisions for Bad Debts	1,134.7	1,669.6	47.1%
PBT	2,200.7	4,233.7	92.4%
Tax	780.0	1,490.2	91.0%
PAT	1,420.7	2,743.5	93.1%
EPS (Rs)	8.25	14.53	76.1%
Book Value (Rs)	56.57	88.35	56.2%

Key Ratios (%)	9M FY'07	9M FY'08
Yield on Interest Earning Assets	18.04%	17.37%
Cost of Interest Bearing Liabilities	10.49%	10.84%
Net Interest Margin	8.72%	7.66%
Return on Avg. Net Worth	20.11%	25.62%
Return on Avg. Assets	2.44%	2.82%
Fee-Income % of Total income	1.54%	0.43%
Interest Coverage Ratio	1.98	1.90

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 166bn. 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 402 branches, and employs 7,525 employees including 3,655 field officers. The company has built a strong customer base of over 0.6mn. 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 institutional investors like TPG New Bridge, Chrys Capital, Tiger Global, Blue Ridge, Citicorp, Quantum & UTI Bank providing it growth capital support. For more information please visit www.stfc.in.

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