



Investor Update

Shriram Transport Finance Company Ltd. Q2 FY 10 (July, 09 to September, 09)



October 28, 2009

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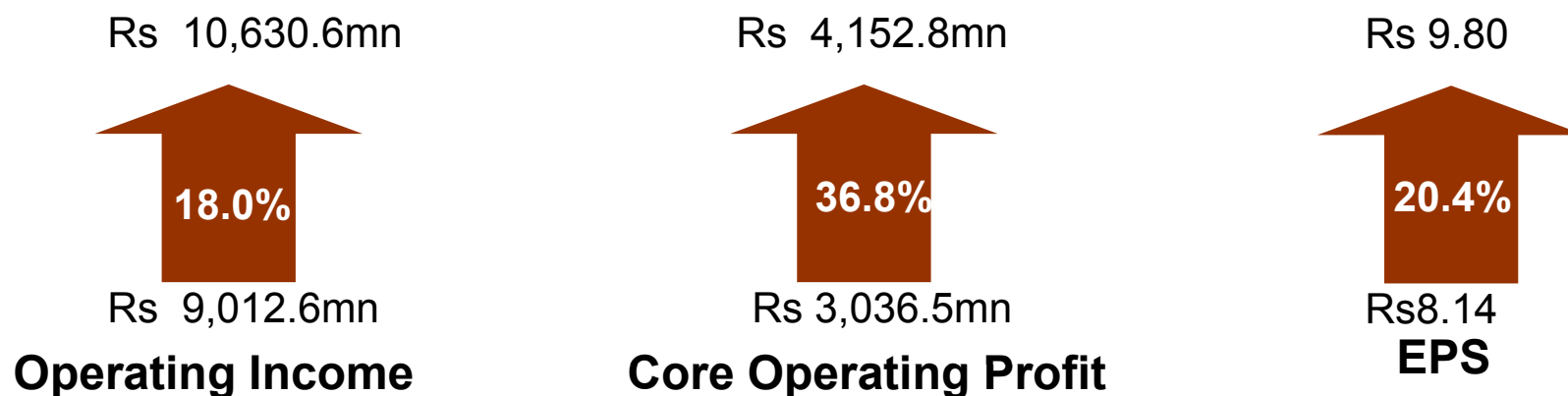


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Sustained Quarterly Growth Trend Continues



Performance Review Q2 FY'10 Vs. Q2 FY'09



➔ **Strong growth in operating income driven by growth across key revenue streams:**

- ✓ Fund-based Income up by 15.0% to Rs 9,499.9 mn from Rs 8,263.8 mn
- ✓ Securitisation Income up by 40.6% to Rs 1,044.4 mn from Rs 742.9 mn (securitised asset portfolio of Rs 12,084 mn during Q2 FY'10)

➔ **Growing operating profits by 34.4% to Rs 4,184.5 mn from Rs 3,114.0 mn**

➔ **Net interest margin increased to 7.07% from 6.42% (QoQ) due to**

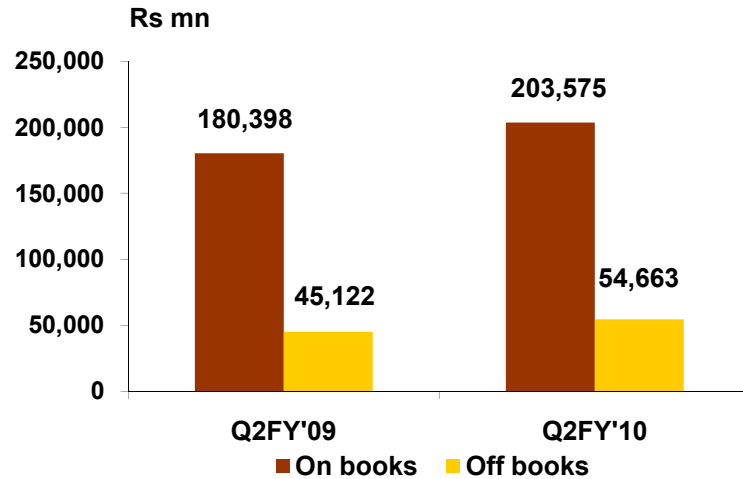
- ✓ Increase in yield on interest earnings assets to 15.80% from 15.64%
- ✓ Decrease in cost on interest bearing liabilities to 9.69% from 10.24%

➔ **Healthy asset quality** with Gross NPAs increased marginally to 2.29% from 2.22% (QoQ) and Net NPAs declining to 0.66% from 0.81% (QoQ).

Driven by Growing AUM



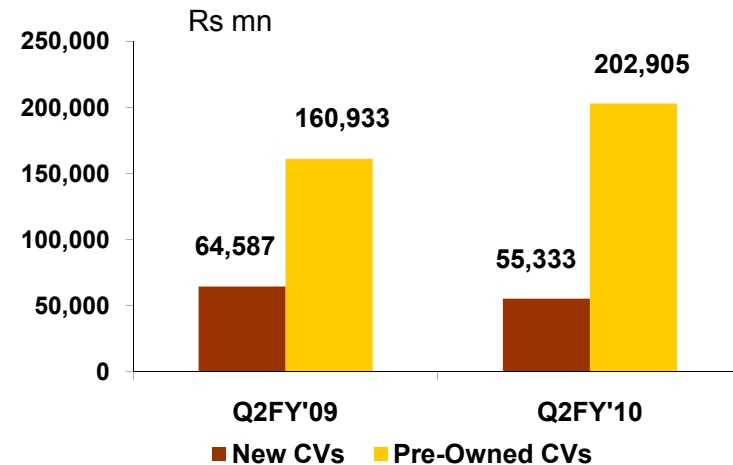
Assets under Management (On books & Off books)



➔ 14.5% growth in total Assets under Management to Rs. 258.24 bn

Assets under Management (New & Pre-owned CVs)

➔ 78.57% of total Assets under Management in pre-owned CV to Rs 202.91 bn

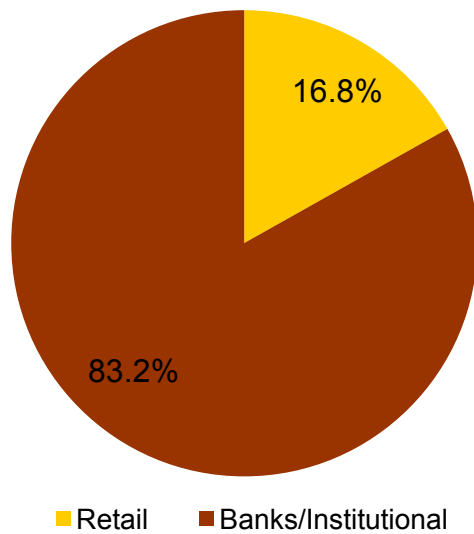


Supported by a Healthy Borrowing Profile

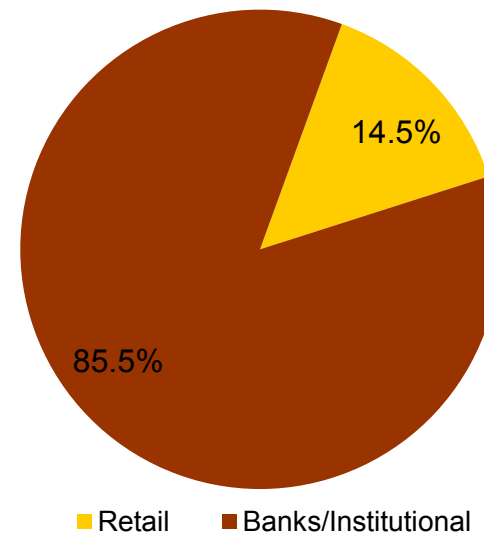


Borrowing Profile

Q2 FY'09 – Rs 170.85 bn



Q2 FY'10 – Rs 213.46 bn



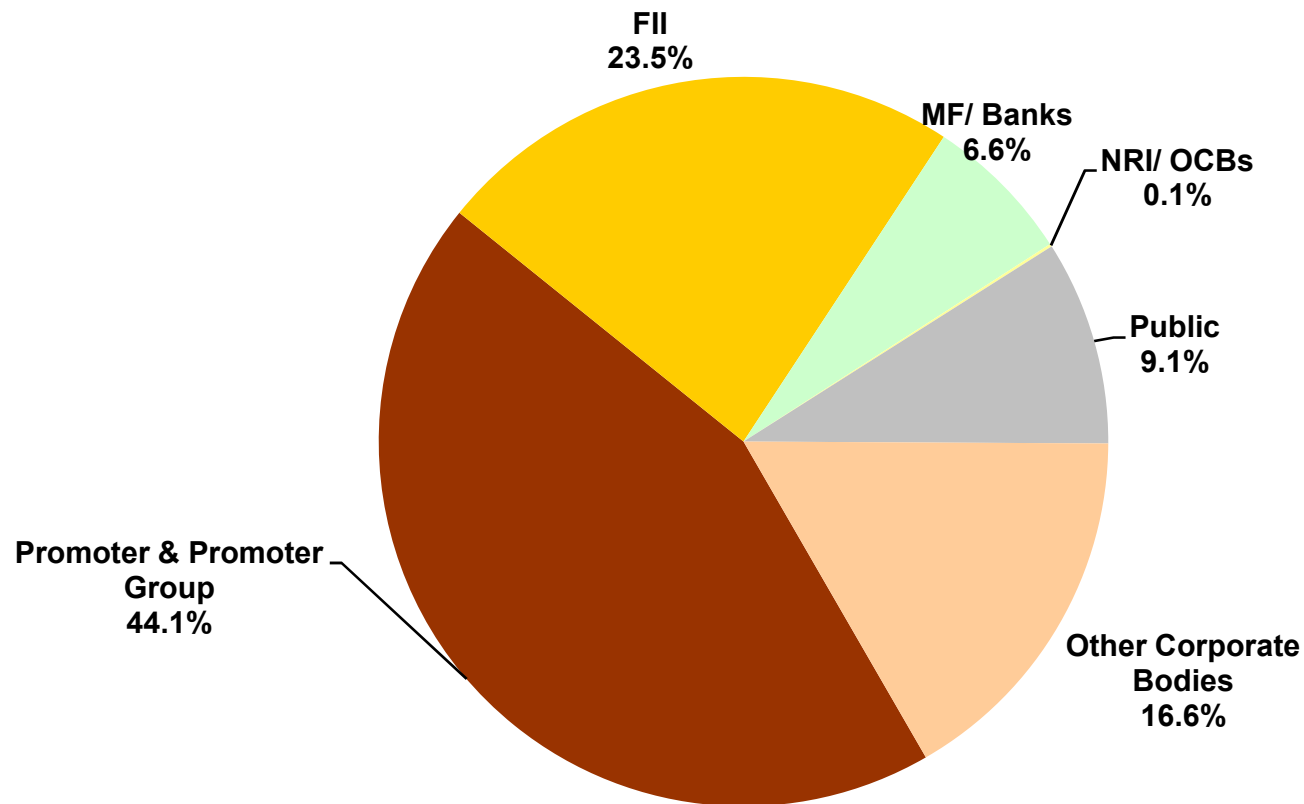
With Growing Support Infrastructure



- ➔ **Pan India presence** with the branch network to 482
- ➔ **Pan India presence** with 55 SBUs
- ➔ **Added 121 new employees** to take the total strength to 11,926 including 6,188 field officers (QoQ).

Shareholding Structure as on 30th. September, 2009

No. of shares outstanding: 211.64mn



Profit and Loss Statement

								<i>Rs mn</i>
Profit & Loss Statement	Q2 FY'09	Q1 FY'10	Q2 FY'10	H1 FY'09	H1 FY'10	YoY %	QoQ %	FY'09
Income from Financing operations								
- Fund Based	8,263.8	9,134.2	9,499.9	15,719.9	18,634.2	15.0%	4.0%	33,487.5
- Income from Securitisation	742.9	1,036.9	1,044.4	1,619.3	2,081.3	40.6%	0.7%	3,169.5
- Fees for trading	0.0	62.0	86.0	0.0	148.0	0.0%	38.7%	
- Fee based	5.9	1.7	0.3	13.5	2.0	-94.8%	-82.5%	21.9
Operating Income	9,012.6	10,234.8	10,630.6	17,352.7	20,865.5	18.0%	3.9%	36,678.9
Interest expended	4,580.1	5,384.3	5,248.3	8,807.2	10,632.6	14.6%	-2.5%	19,279.4
Personnel cost	509.4	558.3	535.2	990.8	1,093.5	5.1%	-4.2%	2,005.4
Operating expenditure	886.6	896.5	694.3	1,683.0	1,590.8	-21.7%	-22.5%	3,542.6
Core Operating Profit (before Provisions & Contingencies)	3,036.5	3,395.7	4,152.8	5,871.7	7,548.6	36.8%	22.3%	11,851.5
Other Income	77.5	22.6	31.7	144.4	54.3	-59.1%	40.7%	412.3
Operating Profit	3,114.0	3,418.3	4,184.5	6,016.1	7,602.9	34.4%	22.4%	12,263.8
Provisions for Bad Debts	734.8	949.2	1,121.6	1,429.5	2,070.8	52.6%	18.2%	3,057.5
PBT	2,379.2	2,469.1	3,062.9	4,586.6	5,532.1	28.7%	24.1%	9,206.3
Tax	723.1	825.0	988.4	1,494.3	1,813.3	36.7%	19.8%	3,082.3
PAT	1,656.1	1,644.1	2,074.5	3,092.3	3,718.8	25.3%	26.2%	6,124.0
EPS (Rs)	8.14	8.01	9.80	15.21	17.84	20.4%	22.3%	30.11
Book Value (Rs)	104.66	127.54	137.20	104.66	137.20	31.1%	7.6%	113.82

Key Ratios (%)	Q2 FY'09	Q1 FY'10	Q2 FY'10	H1 FY'09	H1 FY'10		FY'09
Yield on Interest earning assets	17.53%	15.64%	15.80%	16.30%	15.72%		17.15%
Cost of interest bearing Liabilities	10.98%	10.24%	9.69%	10.37%	9.96%		11.08%
Net Interest Margin	7.81%	6.42%	7.07%	7.62%	6.75%		7.28%
Return on Avg. Net Worth	32.38%	26.23%	29.62%	31.43%	28.02%		29.11%
Return on Avg. Assets	3.36%	2.65%	3.22%	3.25%	2.94%		2.99%
Fee-Income % of Total income	0.26%	0.07%	0.01%	0.15%	0.02%		0.06%
Interest Coverage Ratio	198.47%	190.51%	203.16%	198.67%	196.75%		192.39%

Balance Sheet

								<i>Rs mn</i>
Balance Sheet	Q2 FY'09	Q1 FY'10	Q2 FY'10	H1 FY'09	H1 FY'10	YoY %	QoQ %	FY'09
Liabilities								
Shareholder Funds								
Equity Capital	2,035.0	2,115.7	2,116.7	2,035.0	2,116.7	4.0%	0.0%	2,035.4
Reserves	19,263.1	24,868.9	26,924.1	19,263.1	26,924.1	39.8%	8.3%	21,131.0
Preference Capital								
Loans								
Secured	132,076.9	170,365.8	185,209.7	132,076.9	185,209.7	40.2%	8.7%	167,745.9
Unsecured	38,771.2	31,293.2	28,249.4	38,771.2	28,249.4	-27.1%	-9.7%	33,467.2
Current Liabilities	16,413.6	22,039.3	22,771.4	16,413.6	22,771.4	38.7%	3.3%	21,586.4
Deferred Tax Liability	183.8	0.0	0.0	183.8	0.0	-100.0%	0.0%	0.0
Total	208,743.6	250,682.9	265,271.3	208,743.6	265,271.3	27.1%	5.8%	245,965.9
Assets								
Fixed Assets	1,269.8	1,279.0	783.9	1,269.8	783.9	-38.3%	-38.7%	1,342.7
Loans & Advances	820.6	773.5	928.1	820.6	928.1	13.1%	20.0%	690.9
Cash & Bank balances	16,751.8	37,610.4	44,796.4	16,751.8	44,796.4	167.4%	19.1%	53,649.9
Investments	7,273.5	13,243.9	10,410.4	7,273.5	10,410.4	43.1%	-21.4%	6,547.6
Truck receivables	180,379.0	193,346.2	203,567.9	180,379.0	203,567.9	12.9%	5.3%	179,215.7
Deferred Tax Asset	0.0	263.9	263.9	0.0	263.9	0.0%	0.0%	263.9
Current Assets	2,248.9	4,166.0	4,520.7	2,248.9	4,520.7	101.0%	8.5%	4,255.2
Total	208,743.6	250,682.9	265,271.3	208,743.6	265,271.3	27.1%	5.8%	245,965.9

Spread Analysis	Q2 FY'09	Q1 FY'10	Q2 FY'10	H1 FY'09	H1 FY'10		FY'09
Total Income/ Avg. total assets	18.47%	16.52%	16.53%	18.41%	16.53%		18.10%
Interest cost/ Avg. total assets	9.30%	8.67%	8.14%	9.27%	8.40%		9.12%
Gross Spread	9.17%	7.85%	8.39%	9.13%	8.13%		8.98%
NPA provisioning/ Avg. total assets	1.49%	1.53%	1.74%	1.50%	1.64%		1.49%
Overhead Cost/ Avg. total assets	2.84%	2.34%	1.91%	2.81%	2.12%		3.00%
Net Spread	4.84%	3.98%	4.74%	4.82%	4.37%		4.49%

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 Rs 258.24 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 55 SBUs and 482 branches, and employs 11,926 employees including 6,188 field officers. The company has built a strong customer base of over 0.6mn. 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.