



Investor Update

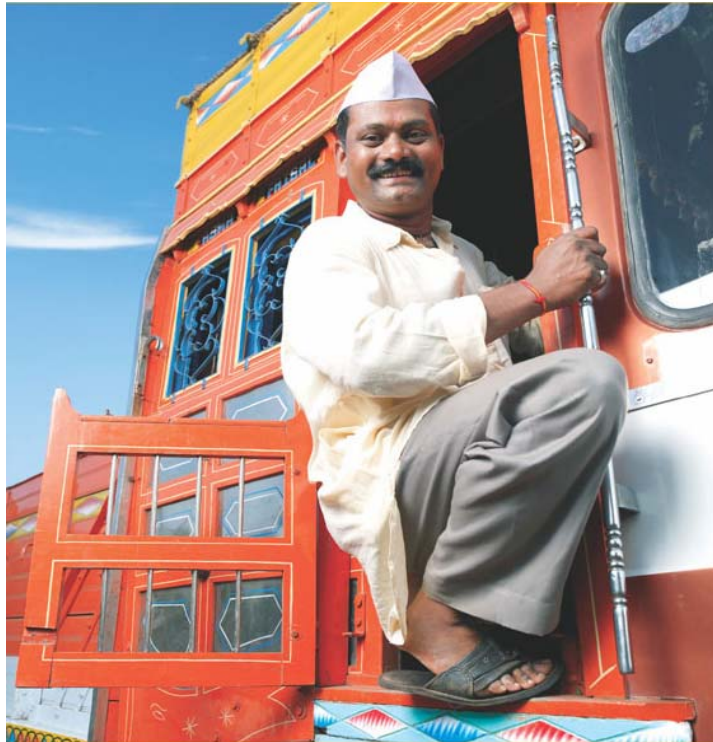
Shriram Transport Finance Company Ltd.

FY 2007-08



May 26, 2008





INDIA'S LARGEST ASSET-FINANCING NBFC.

1

Financial Analysis

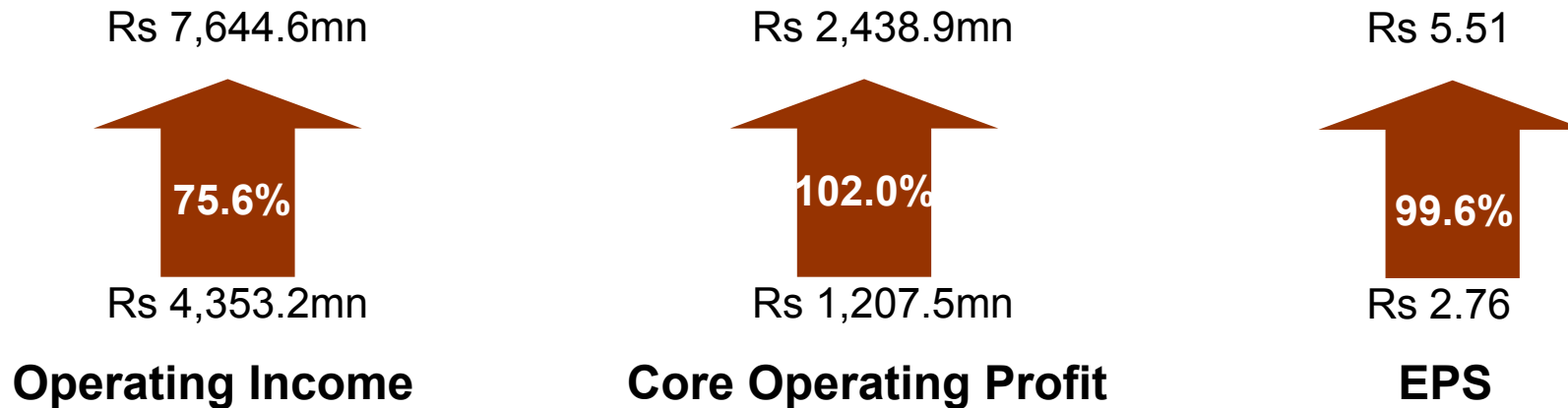
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Operational Analysis

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Financial Statements

Performance Review Q4 FY'08 Vs. Q4 FY'07



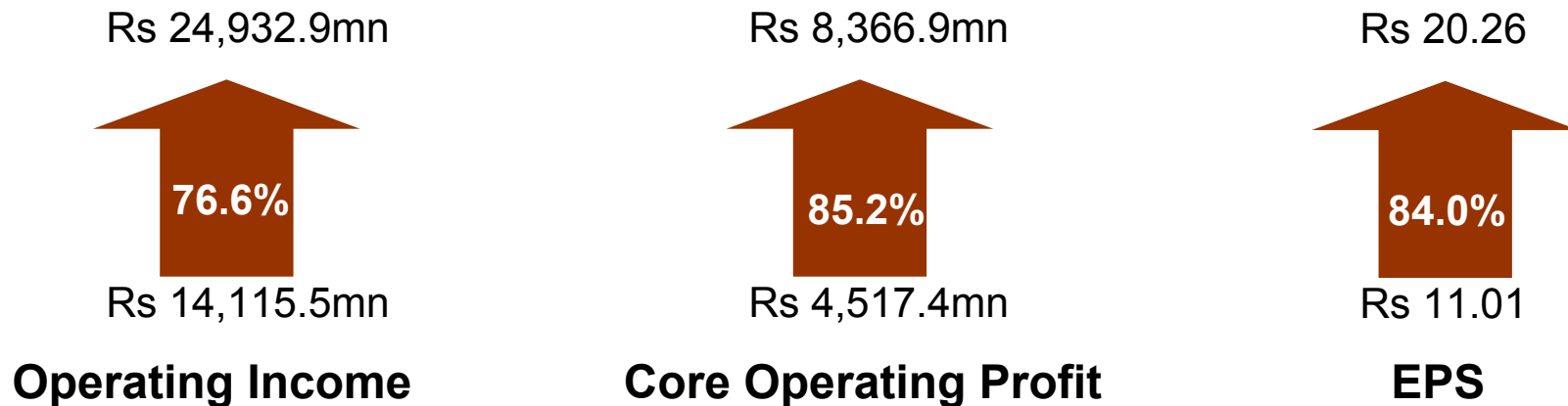
Operating Income

Core Operating Profit

EPS

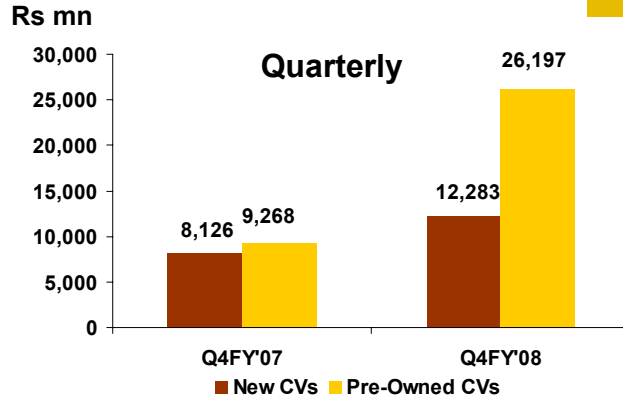
- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Fund-based Income up 65.7% to Rs 7,121.2mn from Rs 4,297.4mn
 - ✓ Securitisation Income up 1223.3% to Rs 514.5mn from Rs 38.9mn (securitised asset portfolio of Rs 11,087mn during Q4FY'08)
- ➔ **Growing core operating profits driven by improving cost to income ratio due to economies of scale**
 - ✓ Cost to income ratio declined to 34.3% from 36.4%
- ➔ **Net spread increased to 4.08% from 2.76% due to**
 - ✓ **Reduction in interest cost** as a percentage of average total assets to 9.0% from 9.8%
 - ✓ **Reduction in NPA provisioning** as a percentage of total assets to 1.5% from 2.1%
- ➔ **Sharp improvement in asset quality** with Gross NPAs declining to 1.6% from 2.0% and Net NPAs declining to 0.9% from 1.3%

Performance Review FY'08 Vs. FY'07

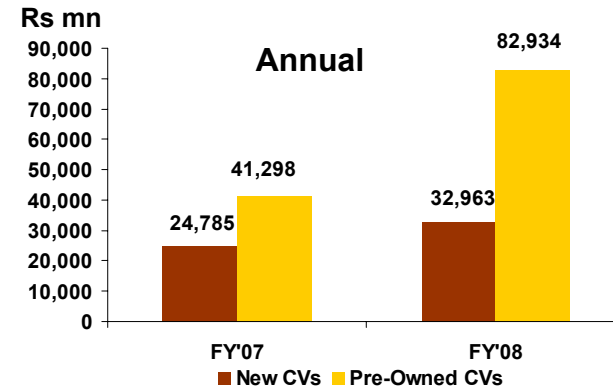


- ➔ **Strong growth in operating income driven by growth across key revenue streams:**
 - ✓ Fund-based Income up 68.8% to Rs 23,366.1mn from Rs 13,843.1mn
 - ✓ Securitisation Income up 961.2% to Rs 1,508.7mn from Rs 142.2mn
- ➔ **Growing core operating profits driven by improving cost to income ratio due to economies of scale**
 - ✓ Cost to income ratio declined to 30.1% from 32.9%
- ➔ **Net spread increased to 4.31% from 3.47% due to**
 - ✓ **Securitisation income of Rs 1,508.7mn**
 - ✓ **Reduction in overhead expenses** as a percentage of total assets to 2.6% from 2.8%
 - ✓ **Reduction in NPA provisioning** as a percentage of total assets to 1.6% from 2.0%
- ➔ **Sharp improvement in asset quality** with Gross NPAs declining to 1.6% from 2.0% and Net NPAs declining to 0.9% from 1.3%

Disbursements

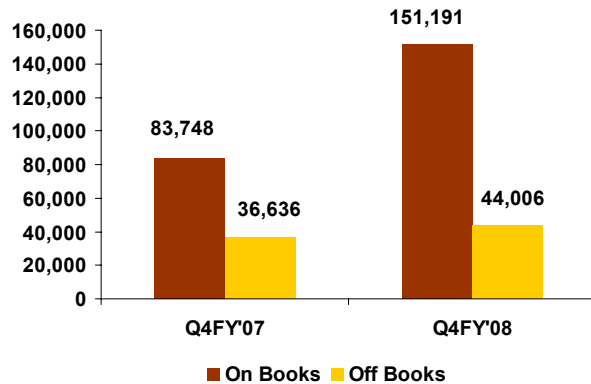


➤ 183% YoY increase in Pre-owned CV disbursements

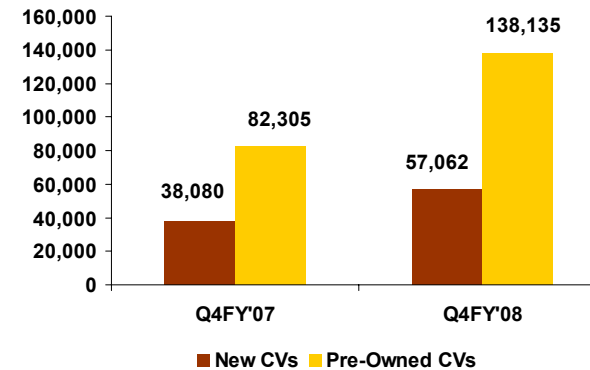


➤ 101% YoY increase in Pre-owned CV disbursements

Assets under Management

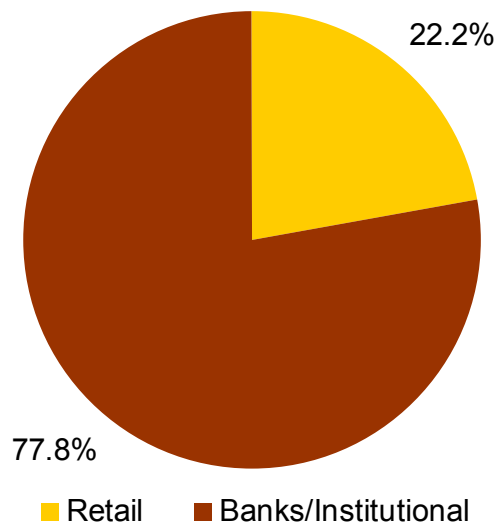


➤ 62% growth in Total Assets under Management to Rs195.20bn

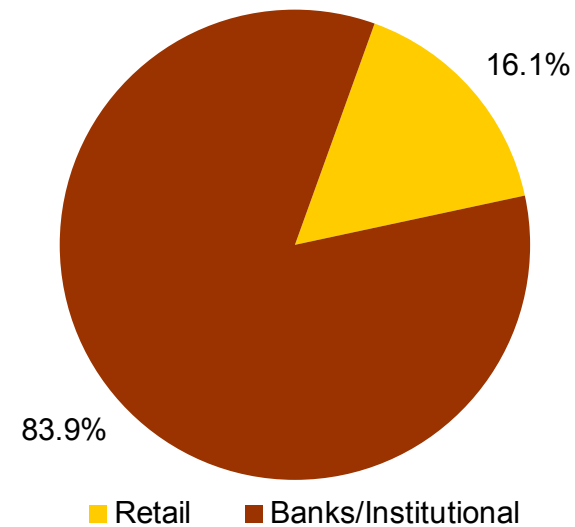


Borrowing Profile

FY'07 – Rs 86.95bn



FY'08 – Rs 147.73bn



➔ **Growing access to funds from Banks and institutions**

- ➔ **Strengthened the marketing set-up** with addition of 28 branch offices to take the branch network to 430
- ➔ **Pan India presence** with 6 regional offices and 50 SBUs
- ➔ **Added 2,169 new employees** to take the total strength to 9,694 including 4,958 field officers

Note: Additions for the quarter ended March 31, 2008

Other Highlights

- ➔ **Proposed a final dividend of 40%** in addition to the interim dividend of 10% declared at the Board Meeting held on 28th November, 2007 making the total dividend of 50% as against the total dividend of 30% paid for FY'07

Profit and Loss Statement

Figures in Rs mn

Profit & Loss Statement	Q4 FY'07	Q3 FY'08	Q4 FY'08	YoY %	QoQ %	FY'07	FY'08	YoY %
Income from Financing operations								
- Fund Based	4,297.4	6,415.9	7,121.2	65.7%	11.0%	13,843.1	23,366.1	68.8%
- Income from Securitisation	38.9	345.0	514.5	1223.3%	49.1%	142.2	1,508.7	961.2%
- Fee based	17.0	7.6	8.9	-47.7%	16.3%	130.3	58.1	-55.4%
Operating Income	4,353.2	6,768.5	7,644.6	75.6%	12.9%	14,115.5	24,932.9	76.6%
Interest expended	2,454.1	3,728.2	3,933.8	60.3%	5.5%	7,383.3	12,966.2	75.6%
Personnel cost	211.9	336.7	402.4	89.9%	19.5%	724.9	1,251.9	72.7%
Operating expenditure	479.8	530.6	869.5	81.2%	63.9%	1,489.9	2,348.0	57.6%
Core Operating Profit (before Provisions & Contingencies)	1,207.5	2,172.9	2,438.9	102.0%	12.2%	4,517.4	8,366.9	85.2%
Other Income	18.2	3.2	0.5	-97.3%	-84.6%	39.7	8.55	-78.5%
Operating Profit	1,225.7	2,176.2	2,439.4	99.0%	12.1%	4,557.1	8,375.4	83.8%
Provisions for Bad Debts	533.8	506.6	666.5	24.9%	31.6%	1,664.9	2,317.1	39.2%
PBT	691.8	1,669.6	1,772.8	156.2%	6.2%	2,892.2	6,058.3	109.5%
Tax	208.2	562.4	654.3	214.2%	16.3%	988.3	2,160.1	118.6%
PAT	483.6	1,107.2	1,118.5	131.3%	1.0%	1,903.9	3,898.2	104.7%
EPS (Rs)	2.76	5.72	5.51	99.6%	-3.7%	11.01	20.26	84.0%
Book Value (Rs)	58.98	88.35	89.44	51.6%	1.2%	58.98	89.44	51.6%

Key Ratios (%)	Q4 FY'07	Q3 FY'08	Q4 FY'08		FY'07	FY'08
Yield on Interest Earning Assets	18.37%	17.88%	17.24%		18.34%	17.46%
Cost of interest Bearing Liabilities	11.71%	11.42%	10.62%		10.57%	10.82%
Net Interest Margin	7.88%	7.49%	7.72%		8.47%	7.77%
Return on Avg. Net Worth	18.64%	28.35%	24.76%		19.47%	27.17%
Return on Avg. Assets	1.93%	2.91%	2.57%		1.90%	2.77%
Fee-Income % of Total income	1.55%	0.45%	0.46%		0.92%	0.23%
Interest Coverage Ratio	1.78	1.82	1.94		1.92	1.92

Balance Sheet

Figures in Rs mn

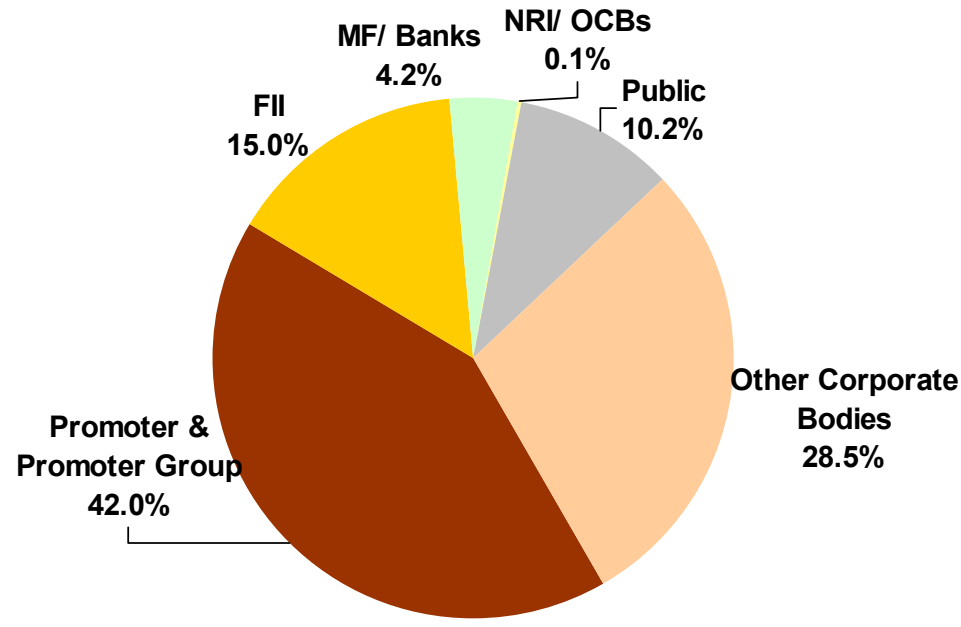
Balance Sheet	Q3 FY'08	FY'07	FY'08
Liabilities			
Shareholder Funds			
Equity Capital	2,031.6	1,841.8	2,031.6
Reserves	15,956.4	9,022.3	16,132.0
Preference Capital		-	
Loans			
Secured	104,093.0	63,001.0	115,449.5
Unsecured	32,736.1	23,949.5	32,280.8
Current Liabilities	10,757.4	9,078.4	15,192.4
Deferred Tax Liability	866.2	866.2	359.2
Total	166,440.7	107,759.2	181,445.5
Assets			
Fixed Assets	1,607.9	1,674.7	1,427.5
Loans & Advances	569.0	588.9	683.1
Cash & Bank balances	22,077.3	17,526.6	12,502.5
Investments	7,360.7	2,245.7	13,851.2
Truck receivables	131,478.7	83,748.0	151,191.3
Current Assets	3,347.1	1,975.3	1,789.9
Total	166,440.7	107,759.2	181,445.5

Spread Analysis	Q3 FY'08	FY'07	FY'08
Total Income/ Avg. total assets	17.82%	16.99%	17.74%
Interest cost/ Avg. total assets	9.81%	8.69%	9.22%
Gross Spread	8.01%	8.30%	8.52%
NPA provisioning/ Avg. total assets	1.33%	2.0%	1.6%
Overhead Cost/ Avg. total assets	2.28%	2.8%	2.6%
Net Spread	4.39%	3.47%	4.31%

Shareholding Structure as on 31st March 2008



No. of shares outstanding: 203.14mn



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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 195.2bn. 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 430 branches, and employs 9,694 employees including 4,958 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, Quantum & Axis Bank providing it growth capital support. For more information please visit www.stfc.in

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