

Ref: D: STEC

October 27, 2016

The Secretary,  
**BSE Ltd**  
P J Towers,  
Dalal St,  
Mumbai 400 001

The Manager  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5th Floor  
Plot No.C/1, G Block  
Bandra- Kurla Complex Bandra (E)  
Mumbai 400 051

Sir,

**Ref: Scrip Code: BSE – 532498 and NSE - SHRIRAMCIT**

Please find attached the presentation on financial results made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

For Shriram City Union Finance Limited,



C R Dash  
Company Secretary

AS

Encl: a/a.

**Shriram City Union Finance Limited**

# SHRIRAM CITY UNION FINANCE LIMITED

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**Performance Review for the quarter ended  
September 2016**

## **Assets Under Management:**

Assets Under Management during the quarter ended Sept 2016, recorded a 18% growth on a year on year basis and stands at Rs. 21390 Crores. Non gold AUM recorded a 25% growth. Small Business constitutes 56% of AUM as at Sept 16, up from 53% as at Sept 15 and has recorded a 24% YOY growth. For the quarter, AUM grew by 4.5% & non gold portfolio grew by 6.3%, during the previous year – as at Sept 15 the Total AUM grew by 3.9% and non gold book AUM was up by 2.5%

## **Disbursements:**

Disbursements for the quarter was at Rs. 5567 Cr, growth of 23% as compared to Sept 15. 43.5% of the disbursements were in Small Business loans segment

## **Net Interest Margin & Cost to Income ratio**

Net Interest Margin (NIM's) remains healthy at over 14% as compared to 13.71 % in June 16, Yield on Assets has increased by 27 bps as compared to previous quarter and is at 21.31%

Improvement in Cost to Income ratio – currently at 38.48% as compared to 41.93% during Sept 2015.

## **NPA**

NPA is continued to be recognized NPA on 150 days past due basis and GNPA is at 4.96% as compared to 5.11% in previous quarter. Coverage is at 72.76%

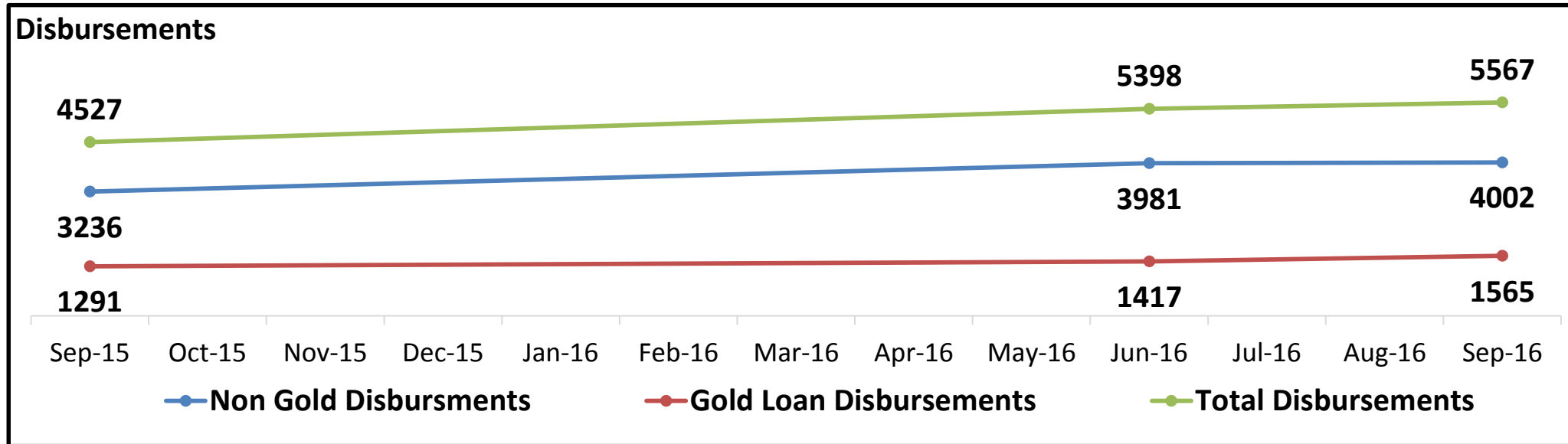
## **Profit After Tax:**

Profit After Tax for the quarter stood at Rs.204.49 Cr up by 12.5% as compared to previous quarter . For the quarter ended Sept 2015, PAT was at Rs. 152.31 Cr where NPA recognition was at 180 DPD and 80% coverage

(INR in Crores)

Particulars	Quarter ended			Growth		Half Year Ended		YOY Growth
	Sep-15	Jun-16	Sep-16	YOY	QOQ	Sep -15	Sep-16	
<b>Assets Under Management</b>	18165	20473	21390	<b>17.8%</b>	<b>4.5%</b>	18165	21390	<b>17.8%</b>
Disbursements	4527	5398	5567	23.0%	3.1%	8761	10965	25.1%
Income from Operations	945	1053	1115	18.0%	5.9%	1858	2169	16.7%
Interest Expenses	344	367	380	10.4%	3.5%	684	747	9.2%
<b>Net Interest Income</b>	<b>601</b>	<b>686</b>	<b>735</b>	<b>22.3%</b>	<b>7.1%</b>	<b>1174</b>	<b>1421</b>	<b>21.1%</b>
Other Income	0	2	0	-39.3%	-80.5%	5	2	-60.9%
Personnel Expenses	124	138	135	8.2%	-2.2%	239	272	13.7%
Operating Expenses (incl Depreciation)	127	136	148	16.7%	8.9%	248	285	14.7%
<b>Pre Provisions Profits</b>	<b>350</b>	<b>414</b>	<b>453</b>	<b>29.3%</b>	<b>9.3%</b>	<b>691</b>	<b>866</b>	<b>25.4%</b>
Provisions & Write offs	118	136	139	17.9%	2.6%	235	275	17.1%
<b>Profit Before Tax</b>	<b>232</b>	<b>278</b>	<b>313</b>	<b>35.1%</b>	<b>12.6%</b>	<b>457</b>	<b>592</b>	<b>29.6%</b>
<b>Profit After Tax</b>	<b>152</b>	<b>182</b>	<b>204</b>	<b>34.3%</b>	<b>12.5%</b>	<b>300</b>	<b>386</b>	<b>28.8%</b>

(INR in Crores)



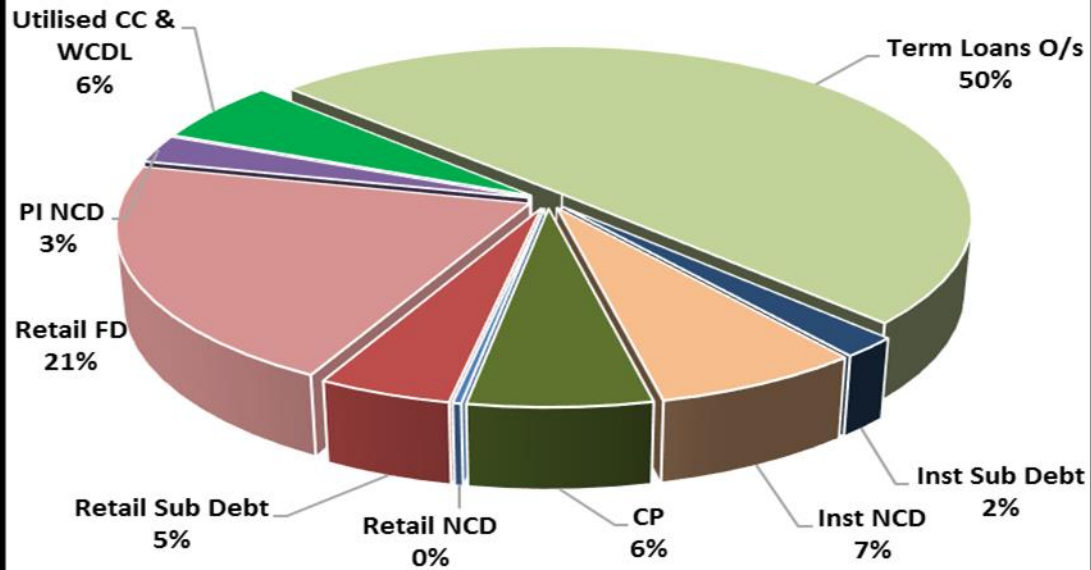
Segment Wise AUM	As at		
	Sept 15	Mar 16	Sept 16
Small Enterprises Finance	53%	55%	56%
Two Wheeler	16%	18%	18%
Loan Against Gold	19%	16%	14%
Others	11%	12%	12%
<b>Total Assets Under Management (Rs. Crores)</b>	<b>18165</b>	<b>20473</b>	<b>21390</b>

(INR in Crores)

<b>Analysis on Average AUM:</b>	<b>Sep-15</b>	<b>Jun-16</b>	<b>Sep-16</b>
Income from Operations	21.22%	21.04%	21.31%
Financial Expenses	7.73%	7.34%	7.27%
<b>Gross Spread</b>	<b>13.49%</b>	<b>13.71%</b>	<b>14.05%</b>
Personnel Expenses	2.79%	2.75%	2.57%
OPEX	2.85%	2.72%	2.84%
<b>Total Expenses</b>	<b>5.64%</b>	<b>5.47%</b>	<b>5.41%</b>
<b>Pre Provision Profits</b>	<b>7.85%</b>	<b>8.27%</b>	<b>8.65%</b>
Provisions & Write offs	2.65%	2.71%	2.66%
<b>Net Spread (pre tax)</b>	<b>5.21%</b>	<b>5.56%</b>	<b>5.99%</b>

(INR in Crores)

## Segment wise Borrowing as at Sept 16



## Details as at Sept 2016

Particulars	Total	Fixed	Semi Fixed	Floating
Total Borrowings (Rs. Cr)	<b>15470</b>	7065	1325	7080
Weighted Average Tenor (in Months)	<b>20.21</b>	16.62	27.78	22.37

(INR in Crores)

Particulars	As at		
	Sep-15	Jun-16	Sep-16
<b>NPA Recognition Norms</b>	<b>180 DPD</b>	<b>150 DPD</b>	<b>150 DPD</b>
GNPA	582	1024	1034
NNPA	115	293	282
Provisions	467	731	752
Total Assets	17649	20033	20840
GNNPA %	3.30%	5.11%	4.96%
NNPA %	0.65%	1.46%	1.35%
Coverage Ratio	80.24%	71.37%	72.76%

Product Segment Wise NPA details as at Sept 16			
Product Segment	GNPA%	NNPA%	Coverage Ratio
Two Wheelers	4.91%	1.32%	73%
Auto Loans	6.68%	1.93%	71%
Personal Loans	5.96%	-	100%
Small Enterprises Finance	5.34%	1.46%	73%
Loan Against Gold	2.42%	1.32%	45%
<b>Total</b>	<b>4.96%</b>	<b>1.35%</b>	<b>72.8%</b>



Particulars	Sep-15	Jun-16	Sep-16
Tier I CRAR	24.06%	23.19%	23.43%
Tier II CRAR	3.53%	2.54%	2.34%
<b>Capital Adequacy Ratio (%)</b>	<b>27.58%</b>	<b>25.73%</b>	<b>25.77%</b>
Return on Average Net Worth (%) – Pre dividend	14.12%	15.82%	17.08%
Return on Average Total Assets (%)	3.23%	3.44%	3.73%
Leverage	3.02 x	3.15 x	3.16 x
Book Value (Rs.)	666	711	742
Earnings Per Share (Rs.)	23.11	27.57	31.02

# **Subsidiary Performance Review -Shriram Housing**

# Q2 FY17 – Financial Highlights



(INR in Crores)

Particulars (INR cr.)	Sept 2015	June 2016	Sept 2016	YOY Growth	QOQ Growth
<b>AUM</b>	1,001.4	1,517.4	1,752.8	75.0%	15.5%
<b>Disbursements</b>	169.6	321.3	331.9	95.7%	3.3%
<i>Retail Disbursements</i>	<i>160.1</i>	<i>219.3</i>	<i>266.0</i>	<i>66.1%</i>	<i>21.3%</i>
<i>CF Disbursements</i>	<i>9.4</i>	<i>102.0</i>	<i>65.9</i>	<i>598.8%</i>	<i>(35.4%)</i>
<b>Income from Ops</b>	40.2	56.8	72.3	80.0%	27.4%
<b>Total Income</b>	40.3	56.8	73.1	81.6%	28.7%
Employee exp.	6.4	10.6	13.1	(106.6%)	(24.2%)
Interest expenses	13.4	21.9	29.5	(120.4%)	(34.2%)
Other expenses	6.2	8.5	12.5	(101.2%)	(47.3%)
Prov. & write-offs	2.3	8.2	2.5	(12.2%)	69.2%
<b>Profit Before Tax</b>	12.1	7.6	15.5	28.3%	104.7%
<b>Profit After Tax</b>	8.0	5.2	10.1	25.5%	93.0%

- Net addition of ~INR 235 cr. of AUM q-o-q and ~75% growth y-o-y
- ~66% increase in quarterly retail disbursements y-o-y
- Disbursed CF cases of ~INR 66 cr. in Q2 compared to INR 99 cr. in the month of June 2016
- Income from ops in Q2 FY17 grew 80% y-o-y
- Provisions & w/o were much lower q-o-q, but slightly higher y-o-y
- Quarterly PBT more than doubled q-o-q due to lower GNPA's and provisioning; and ~28% higher y-o-y

# Q2 FY17 – Financial Highlights



Particulars	Sept 2015	June 2016	Sept 2016	YOY Variance	QOQ Variance
Income from Ops (% of avg. AUM)	16.94%	16.31%	17.54%	0.60%	1.23%
NIMs	11.30%	10.00%	10.39%	(0.91%)	0.39%
Cost to Income Ratio	46.76%	54.66%	58.75%	(11.99%)	(4.09%)
Gross NPAs	2.35%	3.95%	3.48%	(1.13%)	0.47%
Net NPAs	1.78%	2.85%	2.47%	(0.69%)	0.38%
ROA	3.25%	1.38%	2.19%	(1.06%)	0.81%
ROE	8.63%	5.37%	10.10%	1.47%	4.73%
Debt / Equity	1.57x	2.80x	3.62x	(2.05x)	(0.82x)

- Income from Ops is higher with revenue earned from CF disbursements in Q1
- Cost to Income Ratio increased on the back of higher staff costs (owing to fresh hiring) and opex
- Provision Coverage Ratio of 29.05% (vs. 27.82% q-o-q) achieved with excess provisioning of INR 3.0 cr. over & above NHB requirement
- ROA & ROE improved owing to higher PAT q-o-q

*Thank You*