

Ref: D: STEC

August 1, 2017

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

Encl: a/a.

**Shriram City Union Finance Limited**

# **SHRIRAM CITY UNION FINANCE LIMITED**

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**Performance Review for the quarter ended  
June 2017**

- Shriram City during the quarter ended June 2017, recorded 17.5% growth in Assets Under Management (AUM) as compared to June 2016 and AUM as at June 2017 is at Rs. 24053 Crores. Non gold portfolio recorded a 18.1% growth. On quarterly basis total AUM grew by 4% and non gold portfolio recorded a 3.5% growth.
- Small enterprise finance portfolio continues to remain as the largest contributing segment at 54.6% of total AUM. This segment has recorded a 17.3% growth on a YOY basis.
- Disbursements for the quarter stood at 5799 Cr – growth of 7.4% as compared same period previous year. 40% of disbursements are in small enterprise finance portfolio.
- Yield on assets for the quarter ended June 2017 stood at 20.64% as compared to 21.04% in June 2016
- Cost of borrowings recorded a dip of 76 bps and is at 9.31% as compared to 10.07% in June 2016
- Net interest margin stood at 13.83% for the quarter ended June 2017 as compared to 13.71% in June 2016 - deriving benefits from lower cost of funds.

- Personnel expenses & Opex are at 5.42% of AUM as compared to 5.47% previous year. On absolute terms personnel expenses increased by 14.9% & opex by 18.6% on YOY basis.
- NPA is recognized at 120 days past due basis and Gross NPA is at 6.76%. Coverage has been made at 73.8% and the Net NPA stood at 1.77%
- Profit Before Tax for quarter stood at Rs. 297.81 Crores, a growth of 7% as compared to June 2016.
- Profit After Tax for quarter stood at Rs. 193.86 Crores, a growth of 6.6% as compared to June 2016.

# Performance Highlights – Quarter Ended June 2017

(INR in Crores)

Particulars	Quarter ended			Growth	
	Jun-16	Mar-17	Jun-17	YOY	QOQ
<b>Assets Under Management</b>	<b>20473</b>	<b>23132</b>	<b>24053</b>	<b>17.5%</b>	<b>4.0%</b>
Disbursements	5398	6245	5799	7.4%	-7.1%
Income from Operations	1053	1107	1218	15.6%	10.0%
Interest Expenses	367	394	402	9.4%	2.1%
<b>Net Interest Income</b>	<b>686</b>	<b>713</b>	<b>816</b>	<b>18.9%</b>	<b>14.3%</b>
Other Income	2	0	2	13.0%	243.2%
Personnel Expenses	138	139	158	14.9%	13.9%
Operating Expenses (incl Depreciation)	136	143	162	18.6%	13.3%
<b>Pre Provisions Profits</b>	<b>414</b>	<b>432</b>	<b>498</b>	<b>20.2%</b>	<b>15.1%</b>
Provisions & Write offs	136	412	200	47.4%	-51.5%
<b>Profit Before Tax</b>	<b>278</b>	<b>21</b>	<b>298</b>	<b>7.0%</b>	<b>1345.0%</b>
<b>Profit After Tax</b>	<b>182</b>	<b>12</b>	<b>194</b>	<b>6.6%</b>	<b>1509.5%</b>

(INR in Crores)

Product Segment	Disbursements (quarter ended)			Growth	
	Jun-16	Mar-17	Jun-17	YOY	QOQ
Small Enterprises Finance	2371	2405	2330	-1.8%	-3.1%
Two Wheeler	1009	921	1031	2.2%	12.0%
Others	600	690	630	5.0%	-8.7%
<b>Disbursements - Excl Gold</b>	<b>3981</b>	<b>4015</b>	<b>3991</b>	<b>0.3%</b>	<b>-0.6%</b>
Loan Against Gold	1417	2229	1808	27.6%	-18.9%
<b>Total Disbursements</b>	<b>5398</b>	<b>6245</b>	<b>5799</b>	<b>7.4%</b>	<b>-7.1%</b>

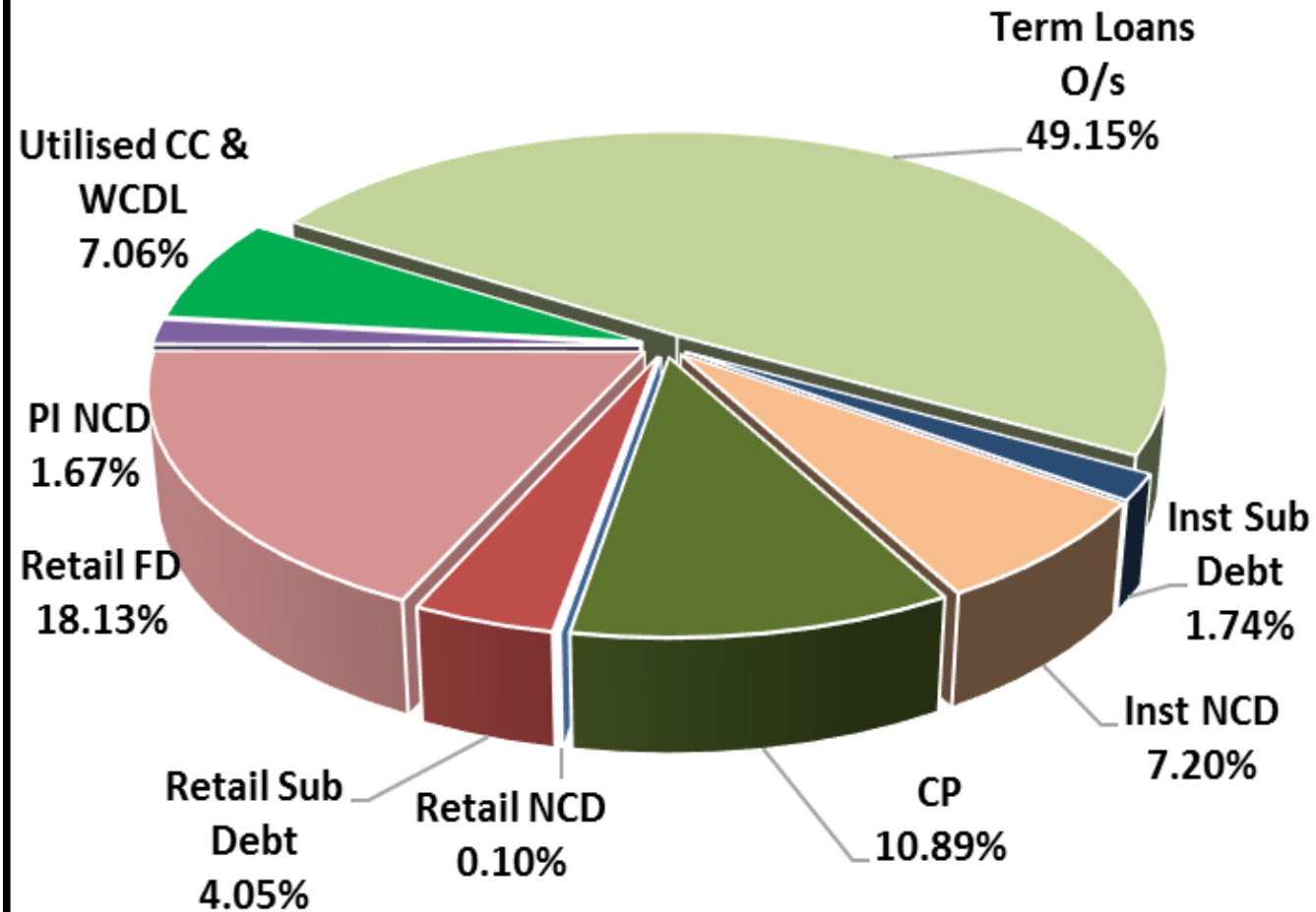
Product Segment	Assets Under Management (as at )			Growth	
	Jun-16	Mar-17	Jun-17	YOY	QOQ
Small Enterprises Finance	11196	12659	13134	17.3%	3.8%
Two Wheeler	3649	4058	4126	13.1%	1.7%
Others	2410	2988	3125	29.7%	4.6%
<b>AUM - Excl Gold</b>	<b>17254</b>	<b>19705</b>	<b>20386</b>	<b>18.2%</b>	<b>3.5%</b>
Loan Against Gold	3218	3427	3668	14.0%	7.0%
<b>Total AUM</b>	<b>20472</b>	<b>23132</b>	<b>24053</b>	<b>17.5%</b>	<b>4.0%</b>

(INR in Crores)

Analysis on Average AUM	Qtr ended		
	Jun-16	Mar-17	Jun-17
Income from Operations	21.04%	19.39%	20.64%
Financial Expenses	7.34%	6.90%	6.81%
<b>Gross Spread</b>	<b>13.71%</b>	<b>12.50%</b>	<b>13.83%</b>
Personnel Expenses	2.75%	2.43%	2.68%
OPEX	2.72%	2.50%	2.74%
<b>Total Expenses</b>	<b>5.47%</b>	<b>4.93%</b>	<b>5.42%</b>
Other Income	0.03%	0.01%	0.03%
<b>Pre Provision Profits</b>	<b>8.27%</b>	<b>7.57%</b>	<b>8.44%</b>
Provisions for NPA	0.95%	4.54%	0.99%
Provisions for Standard Assets	0.06%	0.20%	0.05%
Write offs	1.69%	2.48%	2.34%
<b>Provisions &amp; Write offs</b>	<b>2.71%</b>	<b>7.21%</b>	<b>3.39%</b>
<b>Net Spread (Pre Tax)</b>	<b>5.56%</b>	<b>0.36%</b>	<b>5.05%</b>

(INR in Crores)

**Segment wise Borrowing as at Jun 17**



**Details as at Jun 17**

Segment	Total	Fixed	Semi Fixed	Floating
Total Borrowings	17500	50%	35%	16%
Weighted Average Tenor (in months)	19.27	13.76	25.75	22.43



(INR in Crores)

Particulars	As at		
	Jun-16	Mar-17	Jun-17
<b>NPA Recognition Norms</b>	<b>150 dpd</b>	<b>120 dpd</b>	<b>120 dpd</b>
GNPA	1024	1537	1605
NNPA	293	410	421
Provisions	731	1127	1184
Total Assets	20033	22847	23759
<b>GNNPA %</b>	<b>5.11%</b>	<b>6.73%</b>	<b>6.76%</b>
<b>NNPA %</b>	<b>1.46%</b>	<b>1.79%</b>	<b>1.77%</b>
Coverage Ratio	71.4%	73.3%	73.8%

Product Segment wise NPA as at June 17			
Product Segment	GNPA%	NNPA%	Coverage Ratio
Two Wheelers	7.43%	2.06%	72.2%
Auto Loans	9.15%	2.44%	73.3%
Personal Loans	9.01%	-	100.0%
Small Enterprises Finance	7.14%	2.11%	70.4%
Loan Against Gold	2.70%	0.80%	70.2%
<b>Total</b>	<b>6.76%</b>	<b>1.77%</b>	<b>73.8%</b>

(INR in Crores)

Particulars	Quarter Ended		
	Jun-16	Mar-17	Jun-17
Tier I CRAR	23.19%	22.22%	21.88%
Tier II CRAR	2.54%	1.66%	1.49%
<b>Capital Adequacy Ratio (%)</b>	<b>25.73%</b>	<b>23.88%</b>	<b>23.37%</b>
Return on Average Net Worth (%)	15.82%	0.97%	15.26%
Return on Average Total Assets (%)	3.44%	0.20%	3.12%
Leverage	3.15	3.39	3.40
Book Value (Rs.)	711	762	780
Earnings Per Share (Rs.)	27.57	1.83	29.40

# **Subsidiary Performance Review -Shriram Housing**

# Financial Highlights (1/2)



Particulars (INR cr.)	Quarter ended			Growth	
	Jun 16	Mar 17	Jun 17	YOY	QOQ
<b>AUM</b>	<b>1,517.4</b>	<b>1,775.0</b>	<b>1,642.7</b>	<b>8.3%</b>	<b>(7.5%)</b>
<b>Disbursements</b>	<b>321.3</b>	<b>128.3</b>	<b>136.5</b>	<b>(57.5%)</b>	<b>6.4%</b>
<i>Retail</i>	219.3	110.7	129.2	(41.1%)	16.7%
<i>CF</i>	102.0	17.6	7.3	(92.8%)	(58.6%)
<b>Income from Ops</b>	<b>56.8</b>	<b>73.3</b>	<b>67.3</b>	<b>18.5%</b>	<b>(8.2%)</b>
<i>Retail</i>	51.5	62.0	60.8	18.0%	(1.9%)
<i>CF</i>	5.2	11.3	6.5	23.7%	(42.8%)
<b>Total Income</b>	<b>56.8</b>	<b>73.7</b>	<b>69.0</b>	<b>21.4%</b>	<b>(6.3%)</b>
Interest expenses	21.9	32.4	32.5	(48.1%)	(0.4%)
Employee expenses	10.6	11.0	6.0	43.1%	45.6%
Operating expenses & Others	8.5	10.9	11.0	(29.2%)	(0.65%)
One-off expenses	--	--	2.8	--	--
Prov. & write-offs	8.2	12.2	11.9	(44.4%)	2.5%
<b>Profit Before Tax (PBT)</b>	<b>7.6</b>	<b>7.1</b>	<b>4.8</b>	<b>(36.3%)</b>	<b>(32.4%)</b>
<b>PBT (excl. one-off expenses)</b>	<b>7.6</b>	<b>7.1</b>	<b>7.6</b>	<b>0.36%</b>	<b>6.53%</b>
<b>Profit After Tax</b>	<b>5.2</b>	<b>5.3</b>	<b>4.6</b>	<b>(12.1%)</b>	<b>(13.3%)</b>

- QoQ AUM contraction: ~INR 268 cr. (CF: INR 115 Cr.
- Focus on low ticket housing loan disbursements
- Increased Disbursement per sales force
- QoQ Drop in Retail yield by 0.8% to 15.1%
- Attrition in CF AUM
- **YoY Int. Exp:** Increase in Leverage during interim period, however debt prepaid by Q1-18
- WAC 9.2% in Q1 18 vs 9.9% in Q1 17
- Provisions & w/o is higher due to high GNPA of 4.8% and provisioning on repo assets of INR 3.5 cr.

# Financial Highlights (2/2)



Particulars	Quarter ended			Variance	
	Jun 16	Mar 17	Jun 17	YOY	QOQ
Income from Ops (% of avg. AUM)	16.31%	16.48%	15.79%	(0.51%)	(0.68%)
Avg. cost of borrowing	9.85%	9.49%	9.22%	0.63%	0.27%
NIMs	10.00%	9.20%	8.16%	(1.84%)	(1.03%)
Cost to Income Ratio	54.66%	53.18%	54.16%	0.51%	(0.98%)
Gross NPAs	3.95%	2.59%	4.80%	(0.86%)	(2.21%)
Net NPAs	2.85%	1.82%	3.36%	(0.51%)	(1.55%)
ROA	1.38%	1.10%	0.97%	(0.41%)	(0.13%)
ROE	5.37%	5.20%	4.40%	(0.97%)	(0.80%)
Debt / Equity	2.80x	3.33x	3.12x	(0.32x)	0.21x
Capital Adequacy Ratio	35.80%	29.95%	31.68%	(4.12%)	1.73%
Net worth (INR cr.)	391.42	417.21	419.04	27.63	1.84

- Income from Ops (as % of Avg AUM) has dropped owing to attrition of high-yielding loans
- Avg. cost of borrowing improved owing to prepayment of some high cost term loans
- ROA & ROE contracted due to higher provisioning impacting PAT

*Thank You*