

Ref: D: STEC

January 25, 2018

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**

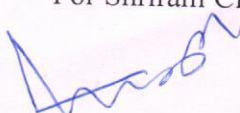
Please find attached the presentation on financial results made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations,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

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Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431

E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in

Corporate Identification Number (CIN) L65191TN1986PLC012840

# **SHRIRAM CITY UNION FINANCE LIMITED**

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**Performance Review for the Quarter & 9 months ended  
Dec 2017**

- |  |   |
|--|---|
| ➤ AUM at Rs. 26077 Crores –                              | Growth of <b>4.7%</b> QOQ & <b>15.7%</b> YOY  |
| ✓ Non Gold AUM constitutes over 87% -                    | Growth of <b>6.4%</b> QOQ & <b>17.9%</b> YOY  |
| ✓ Small Enterprise Finance continues to constitute 55% - | Growth of <b>4.80%</b> QOQ & <b>17.4%</b> YOY |

- |   |   |
|---|---|
| ➤ Disbursements at Rs. 6353 Crores-                               | Growth of <b>3.5%</b> QOQ & <b>23.5%</b> YOY  |
| ✓ Non Gold Disbursements constitutes 75% -                        | Growth of <b>11.7%</b> QOQ & <b>27.8%</b> YOY |
| ✓ 38% of disbursements are in small enterprise finance portfolio. |   |

- ✓ Yield on Assets @ 21% remains constant as compared to previous quarter
- ✓ Cost of Borrowings @ 9.06% as compared to 9.26% in previous quarter
- ✓ Net Interest margin @ 14.37% deriving benefits from reduction in cost of borrowings
- ✓ OPEX & Personnel Expenses @ 6.06% - increase on account of increased personnel expenses & higher opex linked to high two wheeler disbursements

- NPA Continues to be recognized on 120 DPD basis – GNPA @ 6.77% improved from 6.91% as at Sept 17
- ✓ Coverage maintained @ 73.98% & Net NPA is at 1.76% as compared to 1.83% as at Sept 17
- ✓ Provisions & Write offs on AUM @ 3.21% as against 3.88% in Sept 17

- One time other income of Rs. 14.9 Crores on account of sale of investments in Visage Holdings & Finance Pvt. Ltd
- Profit Before tax @ Rs. 340.3 Crores & Profit After tax is at Rs. 225.54 Cr
- Profit before tax excluding one time other income is @ 325.44 Cr up by 7.03% on QOQ basis

# Performance Highlights – 9 Months Ended Dec 2017

(INR in Crores)

Particulars	9 months ended		YOY Growth
	Dec-16	Dec-17	
<b>Assets Under Management</b>	<b>22544</b>	<b>26077</b>	<b>15.7%</b>
Disbursements	16111	18290	13.5%
Income from Operations	3325	3841	15.5%
Interest Expenses	1141	1237	8.4%
<b>Net Interest Income</b>	<b>2184</b>	<b>2604</b>	<b>19.2%</b>
One time - Other Income	-	15	
Other Income	2	2	-2.8%
Personnel Expenses	411	520	26.4%
Operating Expenses <i>(incl Depreciation)</i>	443	517	16.7%
<b>Pre Provisions Profits</b>	<b>1332</b>	<b>1584</b>	<b>18.9%</b>
Provisions for NPA	185	173	-6.4%
Provisions for Standard Assets	9	10	8.4%
Write offs	305	459	50.4%
<b>Provisions &amp; Write offs</b>	<b>499</b>	<b>642</b>	<b>28.6%</b>
<b>Profit Before Tax</b>	<b>833</b>	<b>942</b>	<b>13.1%</b>
<b>Profit After Tax</b>	<b>544</b>	<b>618</b>	<b>13.5%</b>

# Performance Highlights – Quarter Ended Dec 2017

(INR in Crores)

Particulars	Quarter ended			Growth	
	Dec-16	Sep-17	Dec-17	YOY	QOQ
<b>Assets Under Management</b>	<b>22544</b>	<b>24898</b>	<b>26077</b>	<b>15.7%</b>	<b>4.7%</b>
Disbursements	5146	6137	6353	23.5%	3.5%
Income from Operations	1156	1285	1338	15.8%	4.1%
Interest Expenses	393	412	422	7.4%	2.4%
<b>Net Interest Income</b>	<b>762</b>	<b>872</b>	<b>916</b>	<b>20.1%</b>	<b>5.0%</b>
One time - Other Income	-	-	15		
Other Income	1	0	0	-56.7%	-30.1%
Personnel Expenses	139	168	194	39.1%	15.3%
Operating Expenses (incl Depreciation)	158	163	192	21.3%	17.5%
<b>Pre Provisions Profits</b>	<b>465</b>	<b>541</b>	<b>545</b>	<b>17.1%</b>	<b>0.7%</b>
Provisions for NPA	115	71	43	-62.7%	-39.5%
Provisions for Standard Assets	4	3	4	5.3%	44.9%
Write offs	105	163	157	50.0%	-3.6%
<b>Provisions &amp; Write offs</b>	<b>224</b>	<b>237</b>	<b>205</b>	<b>-8.7%</b>	<b>-13.8%</b>
<b>Profit Before Tax</b>	<b>241</b>	<b>304</b>	<b>340</b>	<b>41.1%</b>	<b>11.9%</b>
<b>Profit After Tax</b>	<b>158</b>	<b>198</b>	<b>226</b>	<b>43.0%</b>	<b>13.7%</b>



(INR in Crores)

Product Segment	Disbursements (quarter ended)			Growth	
	Dec-16	Sep-17	Dec-17	YOY	QOQ
Small Enterprises Finance	1934	2515	2409	24.6%	-4.2%
Two Wheeler	1208	1059	1642	35.9%	55.0%
Others	575	674	698	21.4%	3.4%
<b>Disbursements - Excl Gold</b>	<b>3716</b>	<b>4249</b>	<b>4748</b>	<b>27.8%</b>	<b>11.7%</b>
Loan Against Gold	1430	1888	1605	12.3%	-15.0%
<b>Total Disbursements</b>	<b>5146</b>	<b>6137</b>	<b>6353</b>	<b>23.5%</b>	<b>3.5%</b>

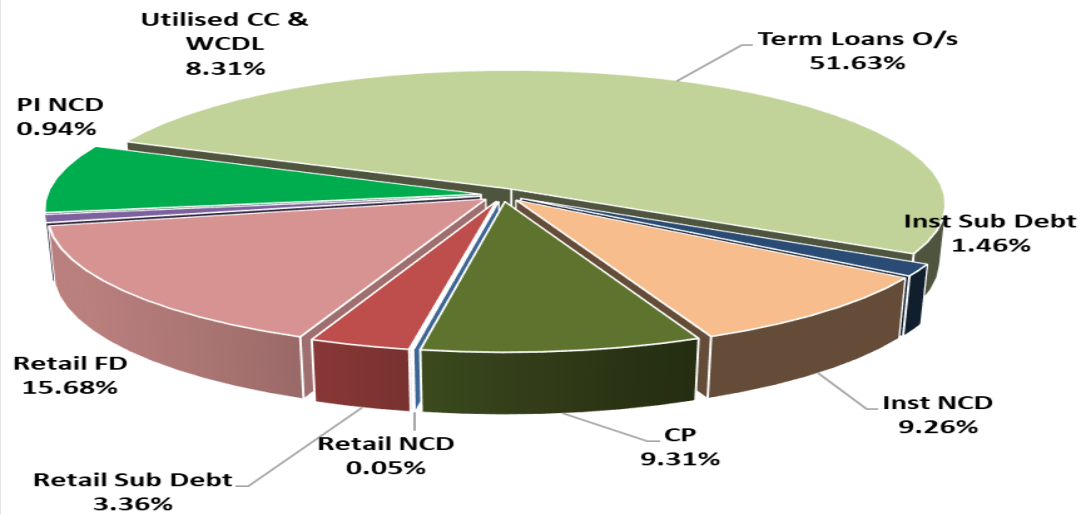
Product Segment	Assets Under Management (as at )			Growth	
	Dec-16	Sep-17	Dec-17	YOY	QOQ
Small Enterprises Finance	12313	13793	14450	17.4%	4.8%
Two Wheeler	4120	4191	4784	16.1%	14.1%
Others	2749	3273	3380	23.0%	3.3%
<b>AUM - Excl Gold</b>	<b>19182</b>	<b>21257</b>	<b>22614</b>	<b>17.9%</b>	<b>6.4%</b>
Loan Against Gold	3362	3641	3463	3.0%	-4.9%
<b>Total AUM</b>	<b>22544</b>	<b>24898</b>	<b>26077</b>	<b>15.7%</b>	<b>4.7%</b>

(INR in Crores)

Analysis on Average AUM	Qtr ended			As at	
	Dec-16	Sep-17	Dec-17	Dec-16	Dec-17
Income from Operations	21.05%	21.00%	21.00%	21.05%	20.81%
Financial Expenses	7.16%	6.74%	6.63%	7.22%	6.70%
<b>Gross Spread</b>	<b>13.88%</b>	<b>14.26%</b>	<b>14.37%</b>	<b>13.83%</b>	<b>14.11%</b>
Personnel Expenses	2.54%	2.75%	3.04%	2.60%	2.82%
OPEX	2.88%	2.67%	3.01%	2.80%	2.80%
<b>Total Expenses</b>	<b>5.42%</b>	<b>5.42%</b>	<b>6.06%</b>	<b>5.41%</b>	<b>5.62%</b>
Other Income	0.01%	0.01%	0.24%	0.02%	0.09%
<b>Pre Provision Profits</b>	<b>8.47%</b>	<b>8.85%</b>	<b>8.55%</b>	<b>8.43%</b>	<b>8.58%</b>
Provisions for NPA	2.10%	1.16%	0.68%	1.17%	0.94%
Provisions for Standard Assets	0.07%	0.05%	0.07%	0.06%	0.05%
Write offs	1.91%	2.67%	2.47%	1.93%	2.49%
<b>Provisions &amp; Write offs</b>	<b>4.08%</b>	<b>3.88%</b>	<b>3.21%</b>	<b>3.16%</b>	<b>3.48%</b>
<b>Net Spread (Pre Tax)</b>	<b>4.39%</b>	<b>4.97%</b>	<b>5.34%</b>	<b>5.27%</b>	<b>5.11%</b>



## Borrowing Mix as at Dec 2017



✓ As at 31<sup>st</sup> Dec 2017, Rs. 19167 Crores were total borrowings outstanding. Cost of borrowing for the quarter ended Dec 16 was at 9.06% as compared to 9.26% in previous quarter.

✓ Bank borrowings continues to constitute major portion at over 60%

✓ Retail borrowings is at 19%

✓ Market borrowings is at 20%

✓ Outstanding of Public issue of NCD is at 1%

## Details as at Dec 17

Segment	Total	Fixed	Semi Fixed	Floating
Total Borrowings	19167	44%	43%	13%
Weighted Average Tenor (months)	19.28	14.50	24.59	17.88

(INR in Crores)

Particulars	As at	
	Sep-17	Dec-17
<b>NPA Recognition Norm</b>	<b>120 DPD</b>	<b>120 DPD</b>
GNPA	1706	1756
NNPA	451	457
Provisions	1255	1299
Total Assets	24691	25944
<b>GNNPA %</b>	<b>6.91%</b>	<b>6.77%</b>
<b>NNPA %</b>	<b>1.83%</b>	<b>1.76%</b>
Coverage Ratio	73.6%	74.0%

Product Segment	GNPA %		Net NPA %	
	Sep-17	Dec-17	Sep-17	Dec-17
<b>NPA Norms</b>	<b>120 dpd</b>	<b>120 dpd</b>	<b>120 dpd</b>	<b>120 dpd</b>
Small Enterprises Finance	7.31%	7.11%	2.15%	2.09%
Two Wheelers	7.55%	6.86%	2.19%	1.95%
Auto Loans	9.31%	9.55%	2.52%	2.57%
Personal Loans	8.87%	9.08%	-	-
Loan Against Gold	2.75%	2.78%	0.82%	0.82%
<b>Total</b>	<b>6.91%</b>	<b>6.77%</b>	<b>1.83%</b>	<b>1.76%</b>

(INR in Crores)

Particulars	Quarter Ended		
	Dec-16	Sep-17	Dec-17
Tier I CRAR	22.64%	21.89%	21.59%
Tier II CRAR	2.00%	1.27%	1.19%
<b>Capital Adequacy Ratio (%)</b>	<b>24.65%</b>	<b>23.15%</b>	<b>22.78%</b>
Return on Average Net Worth (%)	12.87%	15.14%	16.62%
Return on Average Total Assets (%)	2.74%	3.08%	3.37%
Leverage	3.32	3.39	3.47
Book Value (Rs.)	750.84	809.59	836.58
Earnings Per Share (Rs.)	23.92	30.08	34.18

# **Subsidiary Performance Review -Shriram Housing**

# Quarterly Financial Highlights (1/2)



Particulars (INR cr.)	Q3 FY17	Q2 FY18	Q3 FY18	QoQ Growth	YoY Growth
<b>AUM</b>	<b>1,833.4</b>	<b>1,610.6</b>	<b>1,603.9</b>	<b>(0.4%)</b>	<b>(12.5%)</b>
<b>Disbursements</b>	<b>183.1</b>	<b>120.7</b>	<b>165.3</b>	<b>37.0%</b>	<b>(9.7%)</b>
<b>Income from Ops</b>	<b>74.3</b>	<b>65.4</b>	<b>62.9</b>	<b>(3.7%)</b>	<b>(15.3%)</b>
<i>Retail</i>	64.7	59.8	58.8	(1.7%)	(9.2%)
<i>CF</i>	9.6	5.7	4.2	(26.5%)	(56.8%)
<b>Total Income</b>	<b>75.6</b>	<b>65.9</b>	<b>62.9</b>	<b>(4.5%)</b>	<b>(16.8%)</b>
Interest expenses	33.5	28.1	26.8	4.8%	19.9%
Employee expenses	12.3	10.6	12.1	(14.3%)	1.1%
Operating expenses & Others	11.4	12.5	14.3	(15.0%)	(26.1%)
Prov. & write-offs	4.8	3.9	1.4	64.7%	70.9%
<b>Profit Before Tax (PBT)</b>	<b>13.8</b>	<b>10.8</b>	<b>8.3</b>	<b>(22.7%)</b>	<b>(39.6%)</b>

# Quarterly Financial Highlights (2/2)



Particulars	Q3 FY17	Q2 FY18	Q3 FY18	Q-o-Q Variance	Y-o-Y Variance
Income from Ops (% of avg. AUM)	16.44%	15.94%	15.53%	(0.41%)	(0.91%)
Avg. cost of borrowing (annualized)	9.56%	9.13%	9.02%	(0.11%)	(0.54%)
NIMs	9.04%	9.07%	8.92%	(0.16%)	(0.12%)
Cost to Income Ratio	56.05%	61.11%	73.18%	(12.07%)	(17.13%)
Gross NPAs	3.65%	4.93%	5.82%	(0.89%)	(2.17%)
Net NPAs	2.55%	3.45%	4.26%	(0.81%)	(1.71%)
ROA	1.66%	1.61%	1.09%	(0.51%)	(0.57%)
ROE	8.18%	6.92%	4.49%	(2.43%)	(3.70%)
Debt / Equity	3.53x	2.79x	2.74x	(0.05x)	(0.79x)
Capital Adequacy Ratio	29.00%	35.11%	35.85%	0.84%	6.85%
Net worth (INR cr.)	409.0	426.7	432.4	5.6	23.4

*Thank You*