

Ref: D: STEC

October 25, 2019

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**

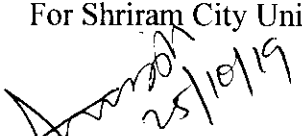
Please find attached the presentation on financial results made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations,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

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**Shriram City Union Finance Limited**

Business Solution Centre, 144, Santhome High Road, Mylapore, Chennai – 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430

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



## **Investor Presentation**

**Q2 & H1FY20**

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# Company Background

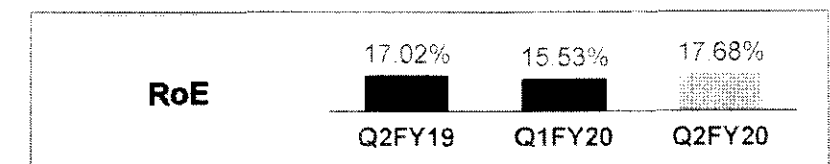
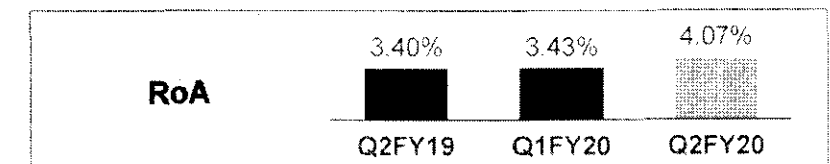
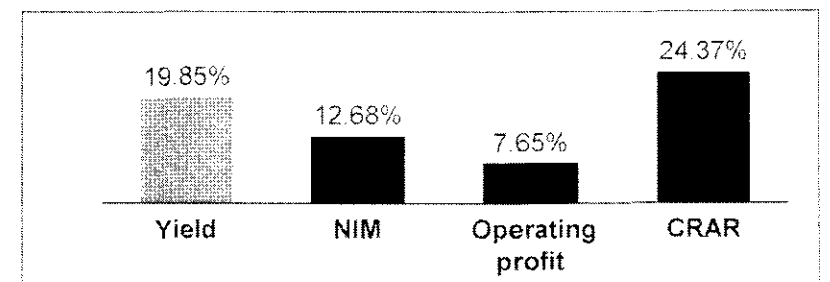
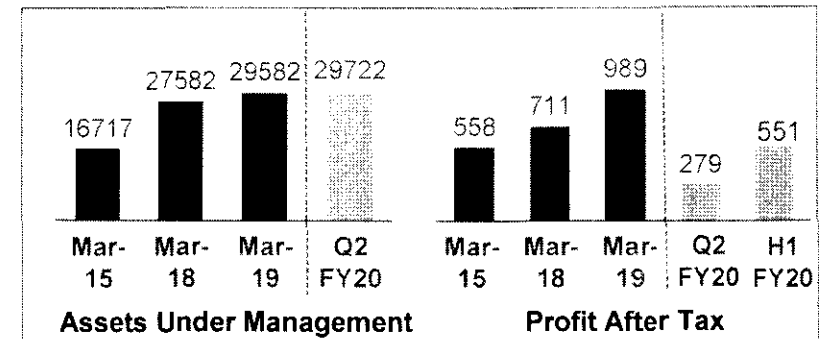
- Market leader – differentiated position in large under-served retail markets
- Strong parentage and an established track record in financial services
- Strong business fundamentals with diversification-led growth
- Healthy capitalization and balance Sheet with adequate liquidity
- Primarily caters to under-banked customers
- **957** branches with strong presence in rural and semi-urban markets
- Leading small enterprise finance company in India in the Small Loans segment
- Leading two-wheeler financier in India
- Active customer base of **40** Lakhs. Strong base of **28262** employees

## CREDIT RATING - LONG TERM



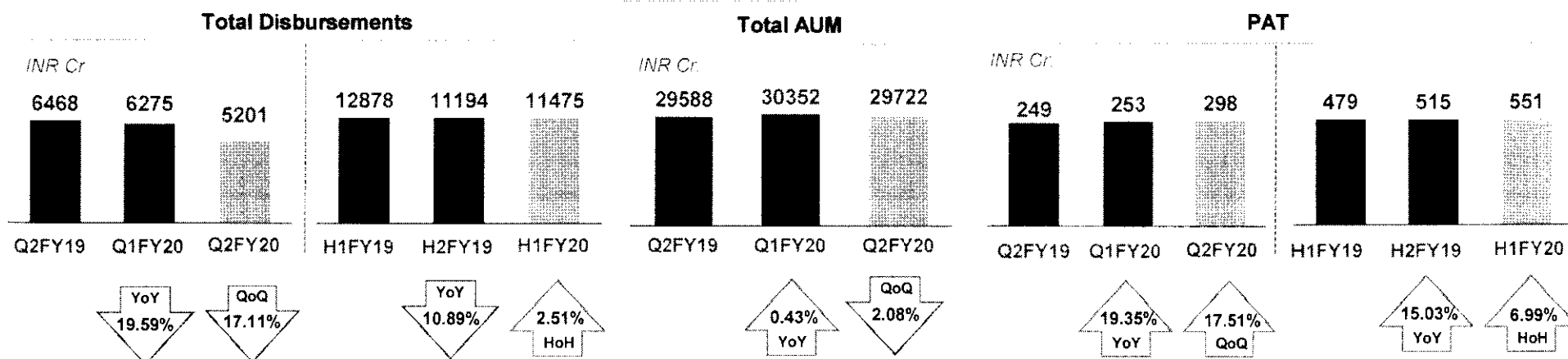
Upgraded by CRISIL  
from AA - in Jul '18

## CREDIT RATING - SHORT TERM



# Performance Highlights for Q2 FY20

## Key Financial Metrics



### Disbursements INR Cr.

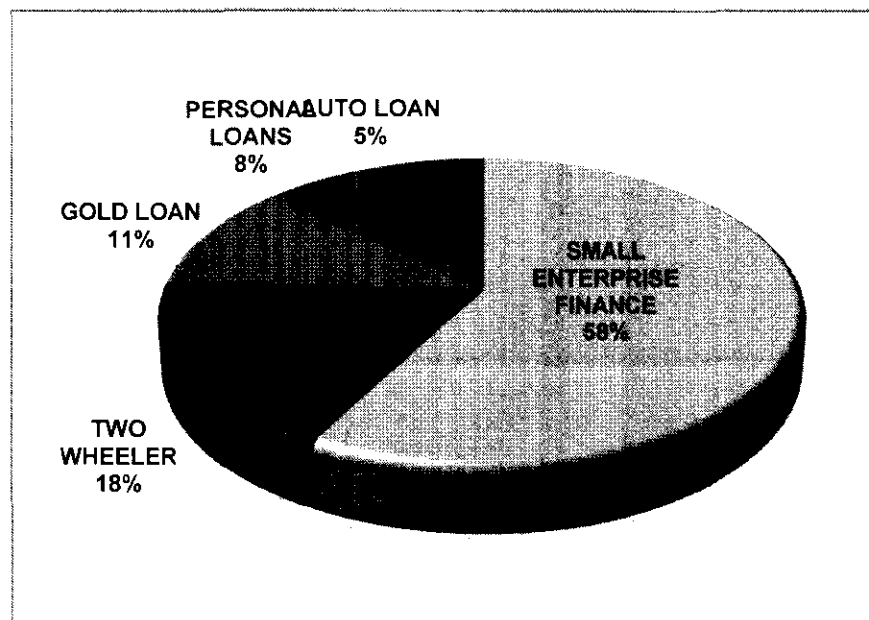
Product	Q2FY19	Q1FY20	Q2FY20	H1FY19	H2FY19	H1FY20
Small Enterprise Finance	2852	2278	1595	5682	4775	3873
Two Wheeler	1267	1284	1251	2551	2368	2535
Personal Loans	614	776	699	1218	1118	1475
Auto Loan	177	146	5	373	258	151
Gold Loan	1558	1790	1650	3054	2675	3440
<b>Total</b>	<b>6468</b>	<b>6275</b>	<b>5201</b>	<b>12878</b>	<b>11194</b>	<b>11475</b>

### Assets Under Management INR Cr.

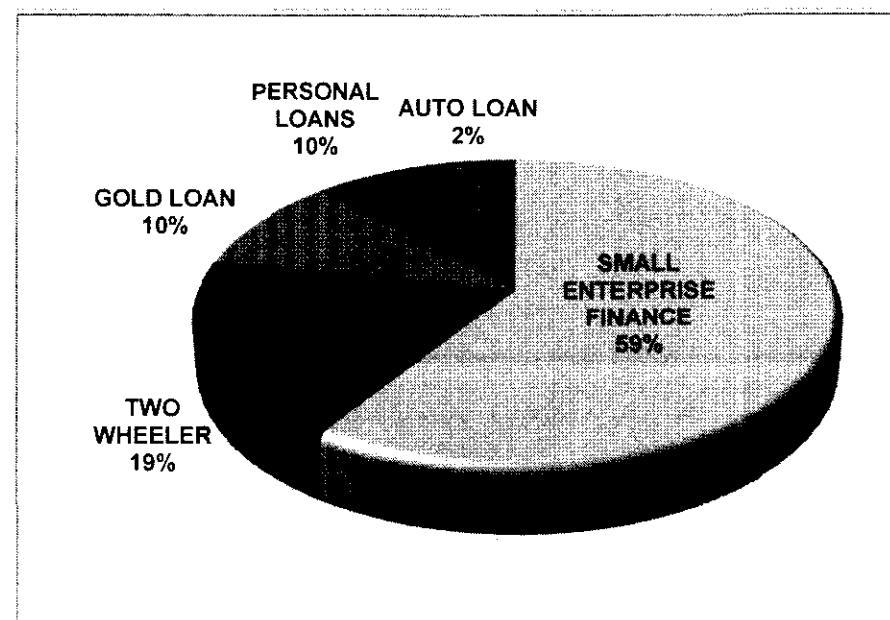
Product	Q2FY19	Q1FY20	Q2FY20
Small Enterprise Finance	17005	17920	17433
Two Wheeler	5406	5480	5521
Personal Loans	2494	2781	2929
Auto Loan	1388	1116	910
Gold Loan	3295	3055	2929
<b>Total</b>	<b>29588</b>	<b>30352</b>	<b>29722</b>

## Performance Highlights – AUM

**Q2FY19**



**Q2FY20**

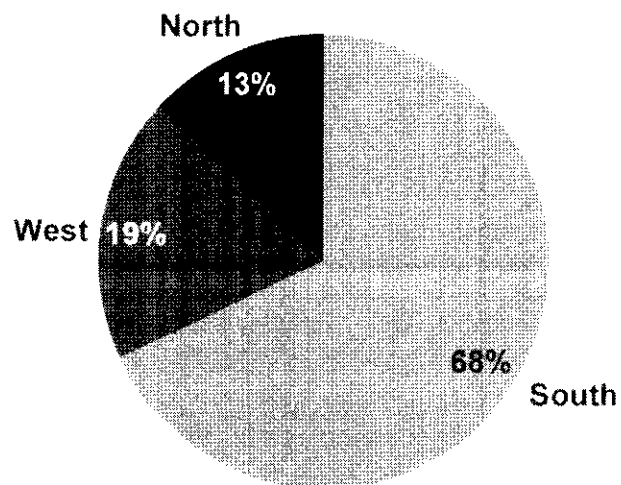


# Performance Highlights for Q2 FY20

## Geographic Breakup of Business

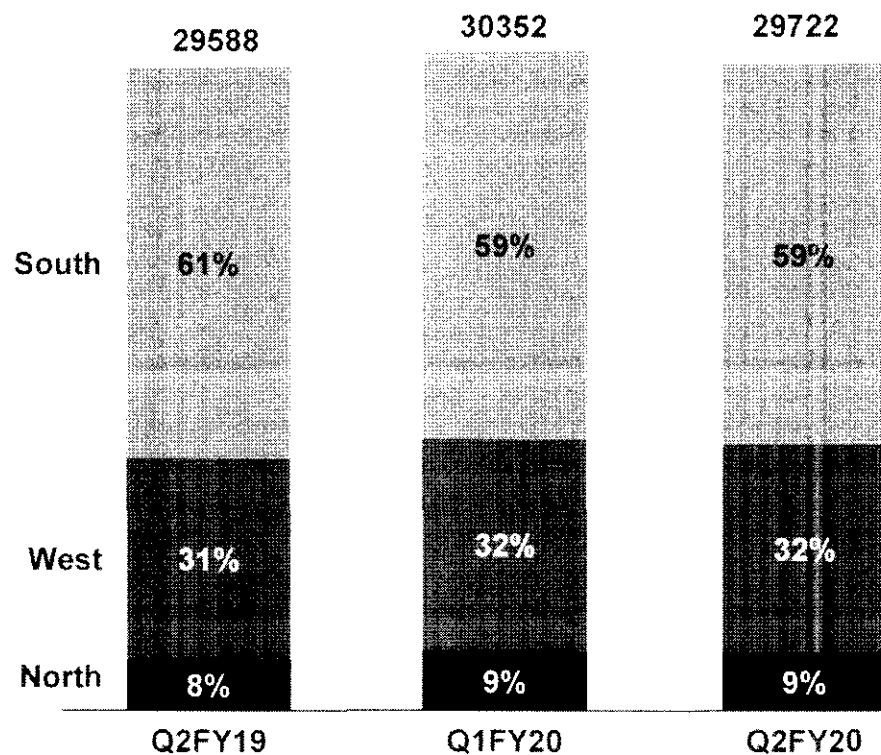
### Branch Network by Geography

957 branches as on 30-Sep-2019



### AUM by Geography

AUM in INR Cr.



## Performance Highlights

### Income Statement under Ind-AS

Particulars (INR in Crores)	Q2FY19	Q1FY20	Q2FY20	Growth	
				YoY	QoQ
<b>Assets Under Management</b>	<b>29588</b>	<b>30352</b>	<b>29722</b>	<b>0.5%</b>	<b>-2.1%</b>
Disbursements	6468	6275	5201	-19.6%	-17.1%
<b>Interest Income</b>	<b>1504</b>	<b>1494</b>	<b>1490</b>	<b>-0.9%</b>	<b>-0.3 %</b>
Interest Expenses	492	532	538	9.4%	1.3%
<b>Net Interest Income</b>	<b>1012</b>	<b>963</b>	<b>952</b>	<b>-6.0%</b>	<b>-1.1%</b>
Operating Expenses	399	385	377	-5.5%	-2.0%
<b>Operating Profit</b>	<b>613</b>	<b>577</b>	<b>574</b>	<b>-6.3 %</b>	<b>-0.5 %</b>
Impairment on Financial Instruments	239	193	197	-17.7 %	1.9%
Profit Before Tax	374	384	378	1.0%	-1.7%
Tax Expenses	124	131	80	-35.7%	-38.9%
<b>Profit After Tax</b>	<b>249</b>	<b>253</b>	<b>298</b>	<b>19.3%</b>	<b>17.5%</b>

## Performance Highlights

### Income Statement under Ind-AS

Particulars (INR in Crores)	H1FY19	H2FY19	H1FY20	Growth	
				YoY	HoH
<b>Assets Under Management</b>	<b>29588</b>	<b>29582</b>	<b>29722</b>	<b>0.5%</b>	<b>0.5%</b>
Disbursements	12878	11194	11475	-10.9%	2.5%
<b>Interest Income</b>	<b>2904</b>	<b>2877</b>	<b>2978</b>	<b>2.5%</b>	<b>3.5%</b>
Interest Expenses	954	1026	1070	12.2%	4.3%
<b>Net Interest Income</b>	<b>1951</b>	<b>1851</b>	<b>1908</b>	<b>-2.2%</b>	<b>3.1%</b>
Operating Expenses	769	730	756	-1.7%	3.7%
<b>Operating Profit</b>	<b>1181</b>	<b>1121</b>	<b>1152</b>	<b>-2.5%</b>	<b>2.7%</b>
Impairment on Financial Instruments	454	328	390	-14.1%	19.0%
Profit Before Tax	727	793	762	4.8%	-4.0%
Tax Expenses *	248	279	211	-14.9%	-24.3%
<b>Profit After Tax</b>	<b>479</b>	<b>515</b>	<b>551</b>	<b>15.0%</b>	<b>6.9%</b>

\* For the half year ended 30<sup>th</sup> September 2019, the tax expenses comprised Current Tax, Tax adjusted for earlier years and Deferred Tax.



## Performance Highlights

### Under Ind-AS – Key Ratios & Other Information

Analysis on Average AUM	Q2FY19	Q1FY20	Q2FY20
<b>Yield on Assets</b>	<b>20.53%</b>	<b>19.95%</b>	<b>19.85%</b>
Interest Expenses	6.72%	7.10%	7.17%
<b>Net Interest Margin</b>	<b>13.81%</b>	<b>12.85%</b>	<b>12.68%</b>
Operating Expenses	5.45%	5.14%	5.03%
<b>Operating Profit</b>	<b>8.36%</b>	<b>7.71%</b>	<b>7.65%</b>
Impairment on Financial Instruments	3.26%	2.58%	2.62%
<b>Net Spread (Pre Tax)</b>	<b>5.10%</b>	<b>5.13%</b>	<b>5.03%</b>
RoA	3.40%	3.43%	4.07%
RoE	17.02%	15.53%	17.68%
Leverage (times)	3.97	3.34	3.14
Cost to Income Ratio	39.45%	40.02%	39.65%
Earnings per Share (Rs- for the Quarter)	37.79	38.36	45.08
Book Value per Share (Rs)	899.63	1008.33	1031.31
CRAR Total (As per IGAAP)	21.18%	22.62%	24.37%
CRAR (Tier I) (As per IGAAP)	20.57%	22.58%	24.37%

## Performance Highlights

### Under Ind-AS – Key Ratios & Other Information

Analysis on Average AUM	H1FY19	H2FY19	H1FY20
<b>Yield on Assets</b>	<b>20.32%</b>	<b>19.45%</b>	<b>20.09%</b>
Interest Expenses	6.67%	6.94%	7.22%
<b>Net Interest Margin</b>	<b>13.65%</b>	<b>12.51%</b>	<b>12.87%</b>
Operating Expenses	5.38%	4.93%	5.10%
<b>Operating Profit</b>	<b>8.26%</b>	<b>7.58%</b>	<b>7.77%</b>
Impairment on Financial Instruments	3.18%	2.22%	2.63%
<b>Net Spread (Pre Tax)</b>	<b>5.09%</b>	<b>5.36%</b>	<b>5.14%</b>
RoA	3.35%	3.44%	3.77%
RoE	16.67%	16.55 %	16.69%
Leverage (times)	3.97	3.53	3.14
Cost to Income Ratio	39.45%	39.41%	39.64%
Earnings per Share (Rs- for the Quarter)	72.59	77.29	83.44
Book Value per Share (Rs)	899.63	968.50	1031.31
CRAR Total (As per IGAAP)	21.18%	23.12%	24.37%
CRAR (Tier I) (As per IGAAP)	20.57%	22.75%	24.37 %

## Stage Analysis as per Ind AS

Rs. Crores

Provisions Analysis as per Ind AS	Q2FY19	Q1FY20	Q2FY20
Stage 3 - Gross	2800	2654	2517
Stage 3 - ECL Provisions	1269	1153	1094
Stage 3 – Net	1531	1501	1423
<b>Stage 3 - Coverage Ratio (%)</b>	<b>45.32%</b>	<b>43.44%</b>	<b>43.48%</b>
Stage 1 & 2 – Gross	26624	27196	26444
Stage 1 & 2 - ECL Provisions	653	791	846
Stage 1 & 2 – Net	25971	26404	25598
<b>Stage 1 &amp; 2 - ECL Provisions %</b>	<b>2.45%</b>	<b>2.91%</b>	<b>3.20%</b>
<b>Stage 3 % - Gross</b>	<b>9.52%</b>	<b>8.89%</b>	<b>8.69%</b>
<b>Stage 3 % - Net</b>	<b>5.20%</b>	<b>5.03%</b>	<b>4.91%</b>

## Analysis of stage 3 (as per IND AS)

Product	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Q2FY19	Q1FY20	Q2FY20	Q2FY19	Q1FY20	Q2FY20	Q2FY19	Q1FY20	Q2FY20
Small Enterprise Finance	10.26%	9.33%	9.01%	5.39%	5.20%	4.98%	47.42%	44.28%	44.80%
Two Wheelers	10.38%	9.37%	9.11%	5.79%	5.11%	4.98%	44.23%	45.43%	45.33%
Personal Loans	11.35%	11.28%	10.89%	6.64%	6.61%	6.37%	41.51%	41.42%	41.54%
Auto Loans	11.71%	11.78%	12.13%	5.90%	5.75%	5.87%	49.61%	51.23%	51.61%
Loan Against Gold	1.99%	2.32%	2.80%	1.91%	2.21%	2.67%	4.35%	4.90%	4.89%
<b>Total</b>	<b>9.52%</b>	<b>8.89%</b>	<b>8.69%</b>	<b>5.20%</b>	<b>5.03%</b>	<b>4.91%</b>	<b>45.32%</b>	<b>43.44%</b>	<b>43.48%</b>

## Diversified Borrowing Profile & adequate Liquidity Backup

Source	Q1FY20	Q2FY20
Total Borrowings (INR Cr.)	22226	21396
Term Loans (%)	45%	43%
CC & WCDL (%)	9%	10%
Retail (%)	17%	18%
Inst. NCD & SD (%)	16%	14%
Public Issue NCD (%)	3%	4%
Commercial Papers (%)	5%	3%
Others (%)	5%	8%
Average Cost of Borrowing (%)	9.49%	9.87%

*As of 30<sup>th</sup> September 2019, the Company possessed Liquidity Backup to the extent of INR 1110 Crores in the form of undrawn lines and Current Account Balances.*






## ALM statement as of 30 September 2019

Rs. Crores

### ASSUMING 90% COLLECTION EFFICIENCY

Particulars	1 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Net Cash Position	319								319
On Book Stock Receivables (with interest)	1849	1510	1527	4514	7366	10271	3481	2230	32747
Scheduled Commitments (with interest)	447	408	1842	2371	5720	10646	2026	3	23463
Mismatch	1721	1103	-315	2143	1646	-375	1455	2227	9603
<b>Cumulative Mismatch</b>	<b>1721</b>	<b>2823</b>	<b>2508</b>	<b>4651</b>	<b>6297</b>	<b>5922</b>	<b>7376</b>	<b>9603</b>	

## Product Summary

 <p>59% of AUM</p>	 <p>18% of AUM</p>	 <p>10% of AUM</p>	 <p>10% of AUM</p>	 <p>3% of AUM</p>
MSME Financing	Two-Wheeler Financing	Gold Loans	Personal Loans	Auto Loans
<ul style="list-style-type: none"> <li>• Launch Year: 2006</li> <li>• Loans to micro, small and medium enterprises.</li> <li>• Strong Presence in Andhra, Telangana, Tamil Nadu &amp; Maharashtra.</li> <li>• Ticket Size: 10 – 15 L</li> <li>• Tenor: 36 – 60 months.</li> <li>• Yield Band: 14 – 22%</li> <li>• LTV: Cash Flow based Lending</li> </ul>	<ul style="list-style-type: none"> <li>• Launch Year: 2002</li> <li>• Among the largest 2W financiers with 20% market share</li> <li>• Focus on non salaried class</li> <li>• Tech – based lending</li> <li>• Ticket Size: 40 – 45 K</li> <li>• Tenor: 24 – 30 months.</li> <li>• Yield Band: 21 – 26%</li> <li>• LTV: C. 75%</li> </ul>	<ul style="list-style-type: none"> <li>• Launch Year: 2007</li> <li>• Focused on 5 leading gold demand states.</li> <li>• Offered through existing regional network.</li> <li>• Ticket Size: 40 – 50 K</li> <li>• Tenor: 4 – 6 months.</li> <li>• Yield Band: 14 – 18%</li> <li>• LTV: C. 75%</li> </ul>	<ul style="list-style-type: none"> <li>• Launch Year: 2002</li> <li>• Cross sell product – Currently offered to 2W customers.</li> <li>• Entirely based on data mining &amp; analytics</li> <li>• Ticket Size: 75K</li> <li>• Tenor: 18 – 36 months.</li> <li>• Yield Band: 22 – 28%</li> <li>• LTV: Cash Flow based Lending</li> </ul>	<ul style="list-style-type: none"> <li>• Launch Year: 2006</li> <li>• Primarily involves Preowned cars, PVs &amp; 3Ws in South &amp; West.</li> <li>• Relationship based lending, offered to existing/past customers.</li> <li>• Ticket Size: 1.25 – 1.5 L</li> <li>• Tenor: 24 – 48 months.</li> <li>• Yield Band: 18 – 24%</li> <li>• LTV: 60 – 80%</li> </ul>

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# SUBSIDIARY DETAILS

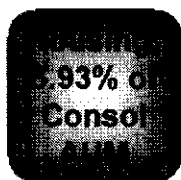
■ SHRIRAM HOUSING FINANCE LIMITED

SHRIRAM HOUSING FINANCE LIMITED



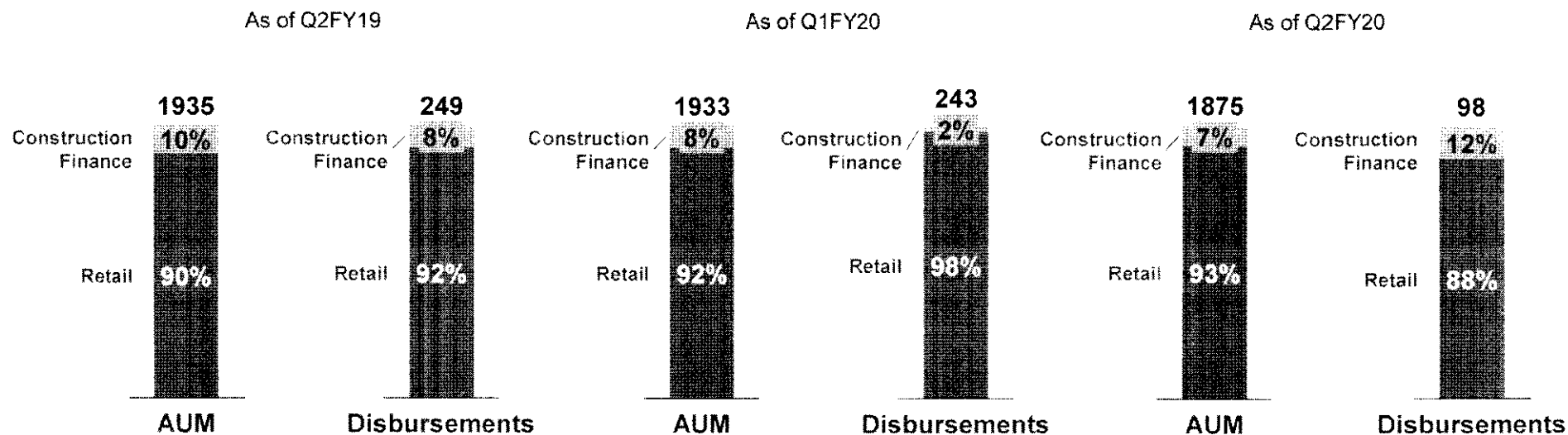
# Shriram Housing Finance Ltd

## Establishing a presence in Affordable Housing



- ✓ Registered as non-deposit accepting HFC with the National Housing Bank
- ✓ Predominantly catering to self-employed borrowers/ informal salaried customers in Tier-II / Tier-III towns
- ✓ Focus on lower-income segment; average ticket size of INR 18.5 lakhs
- ✓ Operates out of 65 branches across 15 states in India with 672 employees, catering to 10123 customers
- ✓ Rated 'AA+' by Care Ratings and 'Ind AA' by India Ratings

### Loan AUM Split



# Shriram Housing Finance Ltd

## Quarterly Financial Highlights

Particulars (INR in Crores)	Q2FY19	Q1FY20	Q2FY20	Growth	
				YoY	QoQ
Assets Under Management	1935	1933	1875	-3.12%	-3.01%
Disbursements	249	243	98	-60.60%	-59.62%
Interest Income	67.02	68.75	66.25	-1.16%	-3.65%
Other Income	6.78	9.69	6.91	1.95%	-28.64%
Income from Operations	73.80	78.44	73.16	-0.88%	-6.73%
Interest Expenses	31.89	38.08	38.75	21.52%	1.78%
Net Interest Income	41.91	40.36	34.41	-17.91%	-14.76%
Operating Expenses	30.71	24.12	23.98	-21.91%	-0.58%
Impairment on Financial Instruments	-1.23	2.23	0.38	-130.94%	-82.91%
Total Expenses	29.47	26.35	24.37	-17.33%	-7.54%
Profit Before Tax (Operational)	12.44	14.01	10.04	-19.30%	-28.34%
Loss on acc of one time extraord. Items		4.80			
Profit Before Tax	12.44	9.21	10.04	-19.30%	9.01%
<b>Profit After Tax</b>	<b>7.09</b>	<b>6.88</b>	<b>7.41</b>	<b>4.52%</b>	<b>7.69%</b>

# Shriram Housing Finance Ltd

## Half-Yearly Financial Highlights

Particulars (INR in Crores)	H1FY19	H2FY19	H1FY20	Growth	
				YoY	HoH
Assets Under Management	1935	1848	1875	-3.12%	1.46%
Disbursements	482	276	341	-29.31%	23.55%
Interest Income	132.55	132.26	135.00	1.85%	2.07%
Other Income	13.72	12.75	16.60	21.04%	30.20%
Income from Operations	146.27	145.01	151.60	3.65%	4.54%
Interest Expenses	61.88	66.75	76.83	24.15%	15.10%
Net Interest Income	84.39	78.25	74.77	-11.39%	-4.45%
Operating Expenses	58.44	53.34	48.11	-17.68%	-9.81%
Impairment on Financial Instruments	3.36	11.41	2.61	-22.40%	-77.13%
Total Expenses	61.81	64.75	50.72	-17.94%	-21.67%
Profit Before Tax (Operational)	22.58	13.50	24.05	6.53%	78.15%
Loss on acc of one time extraord. items		11.00	4.80		
Profit Before Tax	22.58	2.50	19.25	-14.73%	670.00%
<b>Profit After Tax</b>	<b>13.94</b>	<b>2.71</b>	<b>14.30</b>	<b>2.56%</b>	<b>427.68%</b>

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights

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Analysis on Average AUM	Q2FY19	Q1FY20	Q2FY20
Yield on Assets	15.46%	16.49%	15.09%
Finance Expenses	7.99%	8.91%	8.96%
Net Interest Margin	7.47%	7.58%	6.13%
Cost to Income Ratio	73.26%	59.77%	69.71%
Gross NPAs	6.13%	2.86%	3.01%
Net NPAs	4.63%	2.25%	2.37%
RoA	1.36%	1.24%	1.32%
RoE	6.20%	5.88%	6.24%
Leveraging (times)	3.57	3.67	3.52
Capital Adequacy Ratio	31.50%	29.70%	32.60%
Net worth (INR Cr.)	462.88	472.98	480.49

# Shriram Housing Finance Ltd

## Half-Yearly Financial Highlights

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Analysis on Average AUM	H1FY19	H2FY19	H1FY20
Yield on Assets	15.46%	16.21%	15.09%
Finance Expenses	7.99%	8.63%	8.96%
Net Interest Margin	7.47%	7.59%	6.13%
Cost to Income Ratio	69.26%	68.17%	64.34%
Gross NPAs	6.13%	2.80%	3.01%
Net NPAs	4.63%	2.19%	2.37%
RoA	1.35%	0.26%	1.29%
RoE	6.09%	1.18%	6.02%
Leveraging (times)	3.57	3.63	3.52
Capital Adequacy Ratio	31.50%	29.94%	32.60%
Net worth (INR Cr.)	462.88	465.80	480.49

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