

Ref: STEC NSE/BSE 179/2020

November 2, 2020

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: ISIN – INE722A01011**

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

Please find attached the revised 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 as amended from time to time.

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

Thanking you,

Yours faithfully,  
For Shriram City Union Finance Limited

CHITTA  
RANJAN  
DASH

Company Secretary

Digitally signed by CHITTA RANJAN DASH  
DN: cn=CHITTA RANJAN DASH  
serialNumber=333e758819540e0d609677036  
030e35c529e49b1991ac1efb56a0d4a0f64  
5ef5, postalCode=600059, st=TN, email=ranjan.dash@shrircity.in, o=SHRIRAM CITY UNION FINANCE LIMITED  
ab44b8f3ae10e30333e89c7c330fa8dca68  
393b, cn=CHITTA RANJAN DASH  
Date: 2020.11.02 23:02:13 +05'30'

Encl: a/a

**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 & H1 FY21 (September 2020) Results**

## Q2FY21 : Highlights

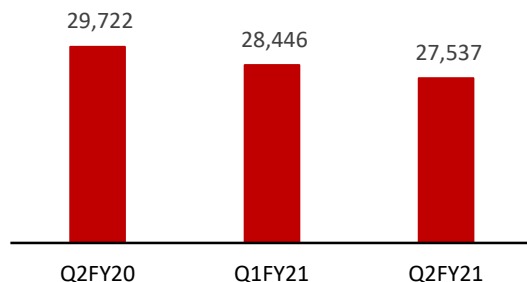
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- ❖ Disbursements in Q2 grew 131% sequentially. SME disbursements picked up in Q2. New Two Wheeler disbursements too were 35% higher sequentially and Pre-owned Two Wheelers showed growth. Gold loan disbursements rose 141% sequentially and were close to pre-Covid levels. Personal Loans – a high yield product - also returned to the disbursement mix after being nil in Q1.
- ❖ The festival season will bring growth in SME and Two Wheeler business and it will have a lower run down on AUM, while the impact of lower SME business in last 2 quarters resulted in AUM decline of 7.4% YoY and 3.2% QoQ sequentially.
- ❖ Operating Expenses were lower by 16% YOY and steady QOQ moderated by reducing certain costs and permanently extinguishing a few others. Cost-to-Income continued to be well within control.
- ❖ The Collection Efficiency improved to 95% in September (August: 82%, July: 80%) resulting in better asset quality and lower impairment by 35% QoQ.
- ❖ Notwithstanding the cessation of the Moratorium on 31<sup>st</sup> August, GNPA's were sequentially lower at 6.67% compared to 7.28% in the previous quarter. PCR at 54% increased from 50% in the previous quarter. Net NPA is at 3.16%.
- ❖ Additional Covid-related provisioning has been moderated to Rs. 101 Cr in Q2 resulting in aggregate provision of Rs. 707 Cr.
- ❖ Yields improved to 19.99% from 19.67% in Q1. Pre-provision profits are higher than comparable metrics last year. NIM at 12.58% is higher sequentially. PBT was thus higher 41% sequentially. ROA is at pre-Covid levels.
- ❖ We raised Rs. 3147 Cr of fresh funding in Q2. This included the highest ever quarterly gross mobilization of retail Fixed Deposits, which are an important part of the liability mix.
- ❖ Liquidity backup comprised free unencumbered assets of Rs. 2619 Cr and Rs. 730 Cr of SLR investments. Undrawn bank lines stood at Rs. 490 Cr
- ❖ We continued to invest in Technology and Digitalization. Our Loan Sourcing App covers almost 80% of our products currently on offer and the Collection Apps have already seen over a million downloads. Enhanced digitalization in Collections has meant that the number of customers using debit cards/netbanking/UPI/Wallet modes of repayment has grown seven-fold since March 2020.

# Company Background

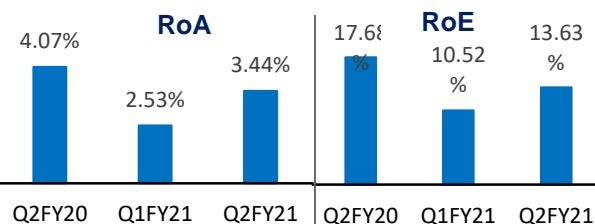
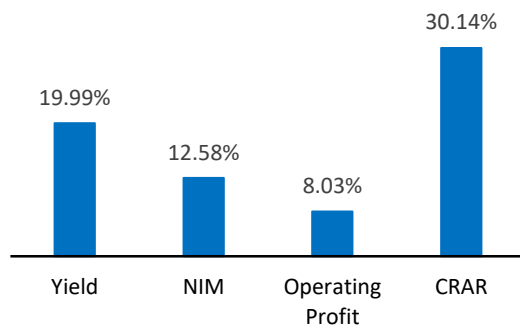
- Market leader – differentiated position in large under-served retail markets
- Strong parentage and an established track record in financial services

**AUM (in Rs Crs.)**

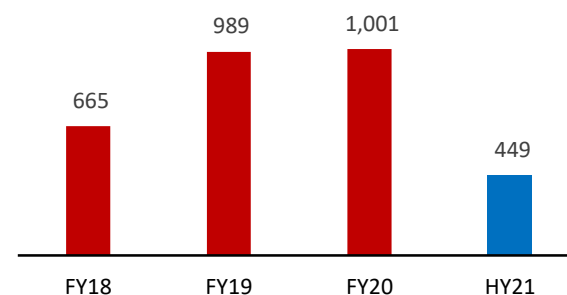


- Strong business fundamentals with diversification-led growth
- Healthy capitalization and balance Sheet with adequate liquidity

**Q2FY21**



**PAT (in Rs Crs.)**



- Primarily caters to under-banked customers
- 947 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 37.40 Lakhs. Strong base of 24581 employees

**CREDIT RATING - LONG TERM**



**CREDIT RATING - SHORT TERM**



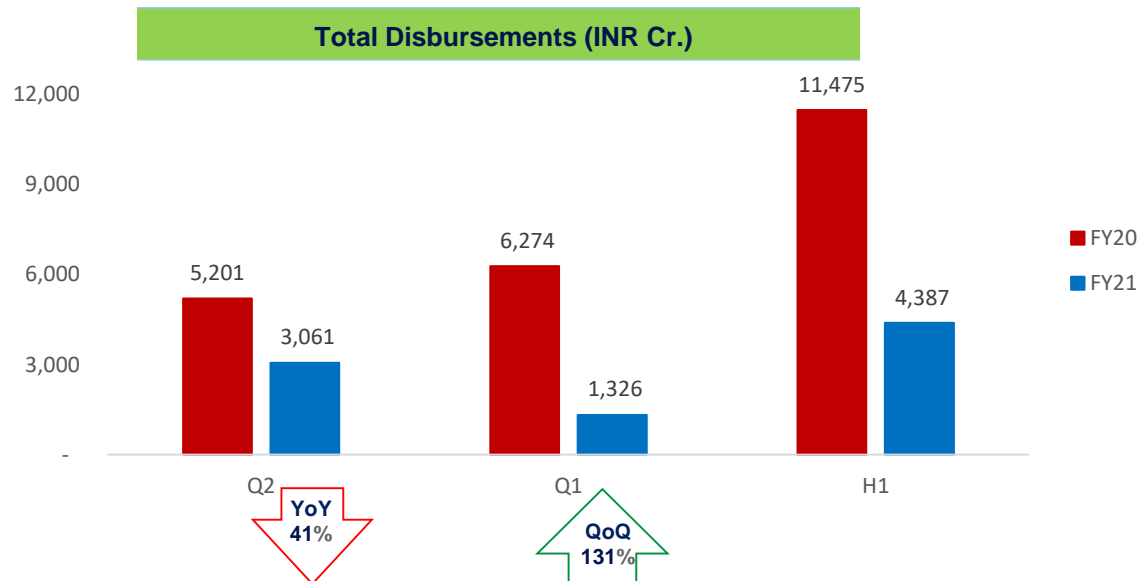
# Performance Highlights for Q2 FY21

## Key Financial Metrics

### Disbursements

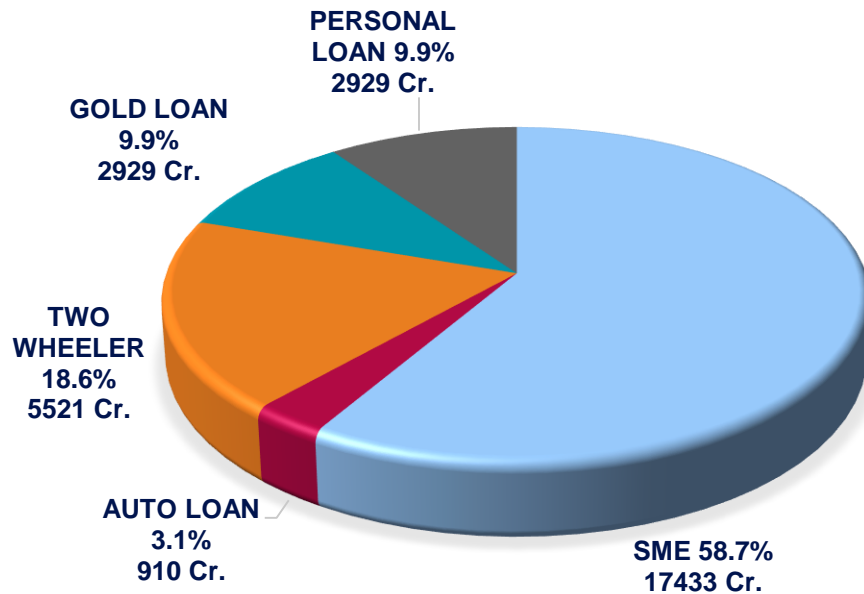
*INR Cr.*

Product	Q2FY20	Q2FY21	Q1FY20	Q1FY21	H1FY20	H1FY21
Small Enterprise Finance	1595	364	2278	20	3873	384
Two Wheelers	1251	883	1284	652	2535	1535
Personal Loan	699	58	776	0	1475	58
Pre-owned Two Wheelers	0	189	0	1	0	190
Auto Loans	5	5	146	5	151	10
Gold Loans	1650	1562	1790	648	3440	2210
<b>Total</b>	<b>5201</b>	<b>3061</b>	<b>6274</b>	<b>1326</b>	<b>11475</b>	<b>4387</b>



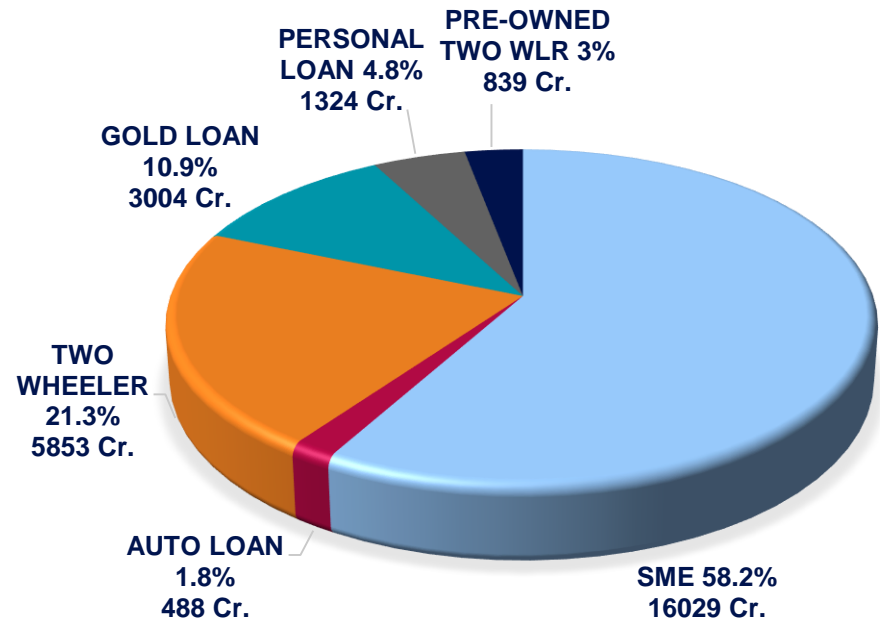
## Performance Highlights – AUM

### Q2FY20



Total – Rs. 29722 Cr.

### Q2FY21



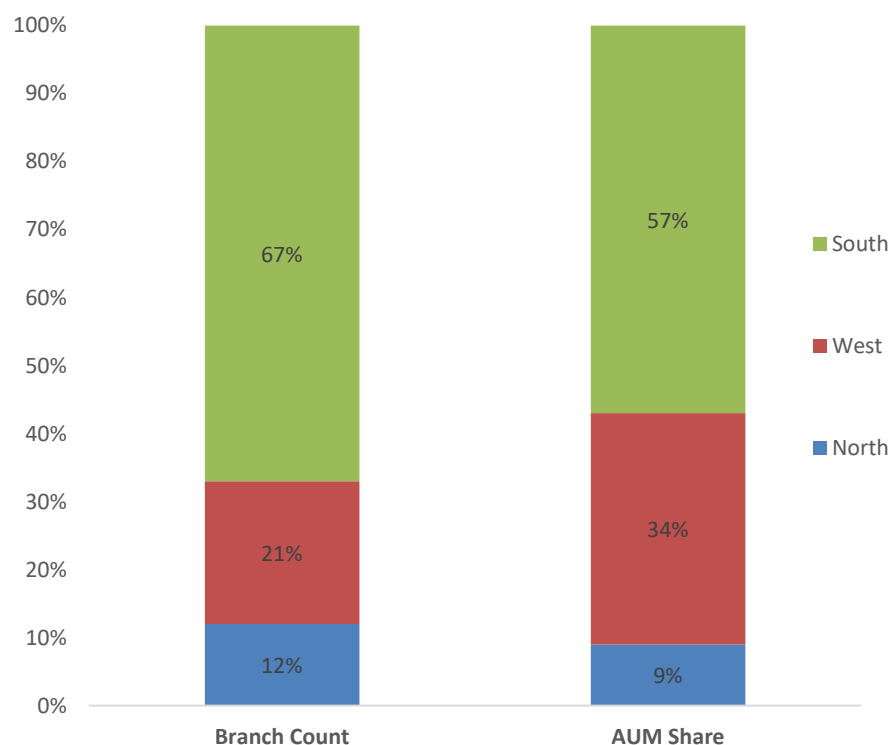
Total – Rs. 27537 Cr.

- SME loans continued to dominate the asset mix. Two Wheeler loans showed appreciable growth.
- Pre-owned Two Wheeler loans, introduced in the year 2019, have begun to register their presence.

# Performance Highlights – Region-wise Breakup of Business

947 branches as on 30-Sep-2020

Region Wise Business Details



- Owing to our origins, South India has higher share in network and AUM contribution, especially in SME loans and Gold loans.
- With business revival & upcoming festivals, a larger proportion of SME & Gold AUM is expected to increase in coming quarters.
- Two Wheeler loan growth is stronger in non-South regions. Gold loans have also been introduced to non-South regions.

# Performance Highlights

## Income Statement – Quarter ended Sept. 2020

Particulars (INR in Crores)	Q2FY20	Q1FY21	Q2FY21	Growth	
				YoY	QoQ
Assets Under Management	29722	28446	27537	(7.4%)	(3.2%)
Disbursements	5201	1326	3061	(41.1%)	130.8%
Interest Income	1490	1415	1399	(6.1%)	(1.1%)
Interest Expenses	536	537	519	(3.2%)	(3.4%)
Net Interest Income	954	877	880	(7.8%)	0.3%
Operating Expenses	380	310	318	(16.2%)	2.5%
Operating Profit	574	567	562	(2.2%)	(0.8%)
Impairment on Financial Instruments & Write-offs	197	310	201	2.3%	(35.0%)
Profit Before Tax	378	256	360	(4.5%)	40.5%
Tax Expenses	80	64	104	29.4%	61.4%
Profit After Tax	298	192	257	(13.7%)	33.6%



# Performance Highlights

## Income Statement – Half Year ended Sept. 2020

Particulars (INR in Crores)	H1FY20	H2FY20	H1FY21	Growth	
				YoY	HoH
Assets Under Management	29722	29085	27537	(7.4%)	(5.3%)
Disbursements	11475	11237	4387	(61.8%)	(61.0%)
Interest Income	2976	2909	2814	(5.5%)	(3.3%)
Interest Expenses	1068	1070	1056	(1.0%)	(1.3%)
Net Interest Income	1909	1839	1757	(7.9%)	(4.4%)
Operating Expenses	757	752	629	(16.9%)	(16.4%)
Operating Profit	1152	1087	1129	(2.0%)	3.8%
Impairment on Financial Instruments & Write-offs	390	493	512	31.1%	3.7%
Profit Before Tax	762	593	617	(19.0%)	4.0%
Tax Expenses	211	144	168	(20.5%)	16.8%
Profit After Tax	551	450	449	(18.4%)	(0.1%)

# Performance Highlights

## Analysis on Average AUM & Key Ratios - Quarterly

Analysis on Average AUM	Q2FY20	Q1FY21	Q2FY21
Yield on Assets	19.85%	19.67%	19.99%
Interest Expenses	7.14%	7.47%	7.42%
Net Interest Margin	12.71%	12.20%	12.58%
Operating Expenses	5.06%	4.32%	4.55%
Operating Profit	7.65%	7.88%	8.03%
Impairment on Financial Instruments & Write-offs	2.62%	4.31%	2.88%
Net Spread (Pre Tax)	5.03%	3.57%	5.15%
RoA	4.07%	2.53%	3.44%
RoE	17.68%	10.52%	13.63%
Leverage (times)	3.14	2.92	2.84
Cost to Income Ratio	39.81%	35.40%	36.16%
Earnings per Share (Rs.)	45.08	29.13	38.92
Book Value per Share (Rs)	1031	1123	1161
Net Owned Funds (Rs. Cr.)	6774	6996	7194
CRAR Total	24.37%	28.80%	30.14%
CRAR (Tier I)	24.37%	28.80%	30.14%

# Performance Highlights

## Analysis on Average AUM & Key Ratios – Half-Yearly

Analysis on Average AUM	H1FY20	H2FY20	H1FY21
Yield on Assets	20.07%	19.79%	19.88%
Interest Expenses	7.20%	7.28%	7.46%
Net Interest Margin	12.87%	12.51%	12.41%
Operating Expenses	5.10%	5.11%	4.44%
Operating Profit	7.77%	7.39%	7.97%
Impairment on Financial Instruments & Write-offs	2.63%	3.36%	3.61%
Net Spread (Pre Tax)	5.14%	4.04%	4.36%
RoA	3.77%	3.00%	2.94%
RoE	16.69%	12.84%	12.08%
Leverage (times)	3.14	3.21	2.84
Cost to Income Ratio	39.65%	40.89%	35.78%
Earnings per Share (Rs.)	83.44	68.16	68.05
Book Value per Share (Rs)	1031	1092	1161
Net Owned Funds (Rs. Cr.)	6774	6787	7194
CRAR Total	24.37%	27.69%	30.14%
CRAR (Tier I)	24.37%	27.69%	30.14%

# Stage Analysis

INR Cr.

Provisions Analysis as per Ind AS	Q2FY20	Q1FY21	Q2FY21	Q2FY21 – As per Supreme Court Order
Stage 3 - Gross	2517	2045	1820	1631
Stage 3 - ECL Provisions	1094	1030	989	989
Stage 3 – Net	1423	1015	831	642
<b>Stage 3 - Coverage Ratio (%)</b>	<b>43.48%</b>	<b>50.37%</b>	<b>54.36%</b>	<b>60.66%</b>
Stage 1 & 2 – Gross	26444	26042	25460	25649
Stage 1 & 2 - ECL Provisions	846	1098	1130	1130
Stage 1 & 2 – Net	25598	24944	24330	24519
<b>Stage 1 &amp; 2 - ECL Provisions %</b>	<b>3.20%</b>	<b>4.22%</b>	<b>4.44%</b>	<b>4.41%</b>
<b>Stage 3 % - Gross</b>	<b>8.69%</b>	<b>7.28%</b>	<b>6.67%</b>	<b>5.98%</b>
<b>Stage 3 % - Net</b>	<b>5.10%</b>	<b>3.75%</b>	<b>3.16%</b>	<b>2.44%</b>

## Analysis of stage 3

Product	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Q2FY20	Q1FY21	Q2FY21	Q2FY20	Q1FY21	Q2FY21	Q2FY20	Q1FY21	Q2FY21
Small Enterprise Finance	9.01%	7.80%	7.48%	5.19%	3.72%	3.12%	44.80%	54.35%	60.11%
Two Wheelers	9.11%	6.77%	5.89%	5.20%	3.26%	2.85%	45.33%	53.60%	53.24%
Personal Loans	10.89%	11.65%	10.89%	6.67%	6.81%	6.34%	41.54%	44.62%	44.60%
Pre-owned Two Wheelers	0.00%	0.10%	0.09%	0.00%	0.04%	0.04%	0.00%	61.72%	61.13%
Auto Loans	12.13%	9.42%	8.64%	6.26%	4.04%	3.75%	51.61%	59.49%	58.83%
Loan Against Gold	2.80%	4.35%	3.53%	2.67%	4.15%	3.37%	4.89%	4.75%	4.72%
<b>Total</b>	<b>8.69%</b>	<b>7.28%</b>	<b>6.67%</b>	<b>5.10%</b>	<b>3.75%</b>	<b>3.16%</b>	<b>43.48%</b>	<b>50.37%</b>	<b>54.36%</b>

## Diversified Borrowing Profile & adequate Liquidity Backup

Source	Q1FY21	Q2FY21
<b>Total Borrowings (INR Cr.)</b>	<b>21666</b>	<b>21770</b>
Term Loans – Banks & Institutions (%)	37%	40%
CC & WCDL – Banks (%)	10%	9%
Retail Fixed Deposits (%)	20%	22%
Retails Sub-Debt (%)	0.5%	-
Public Issue NCD (%)	4%	4%
Institutional NCD (%)	14%	11%
Securitization (%)	15%	13%
Commercial Papers (%)	-	-
Average Cost of Borrowing (%)	<b>9.58%</b>	<b>9.56%</b>

➤ **Fresh mobilization** in Q12Y21: Rs. 3147 Crore as under:

Term Loans from Banks & Institutions: Rs. 2065 Cr., Retail Fixed Deposits: Rs. 857 Cr., NCD under PCG Scheme: Rs. 150 Cr., and Securitisation: Rs. 75 Cr.

➤ As on 30<sup>th</sup> Sept. 2020, **liquidity backup** comprised free unencumbered assets of Rs. 2619 Cr and Rs. 730 Cr of SLR investments, besides undrawn Bank lines of Rs. 490 Cr..

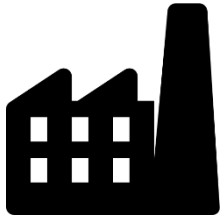
## ALM statement as on 30-Sept-2020

INR Cr.

Particulars	0 day to 7 days	8 days to 14 days	15 days - 31 days	Over 1 month - upto 2 months	Over 2 months - upto 3 months	Over 3 months - upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	TOTAL
Net Cash Position	2619										2619
Scheduled Inflows from Assets	995	479	361	1321	1380	3436	6087	8969	2436	1816	27280
Scheduled Outflows of borrowings	292	71	715	509	1328	2054	6135	8859	1807	0	21770
Mismatch	3322	408	-355	812	53	1382	-48	110	629	1816	8129
<b>Cumulative Mismatch</b>	<b>3322</b>	<b>3730</b>	<b>3375</b>	<b>4188</b>	<b>4240</b>	<b>5622</b>	<b>5574</b>	<b>5684</b>	<b>6313</b>	<b>8129</b>	

# Product Summary

58% of  
AUM



## MSME Financing

**Launch Year:** 2006

- Loans to micro, small and medium enterprises.
- Strong Presence in Andhra, Telangana, Tamil Nadu & Maharashtra.

24% of  
AUM



## Two-Wheeler Financing – New and Preowned

**Launch Year:**

- New: 2002,
- Preowned: 2019
- Among the largest 2W financiers on volume basis
- Focus on non salaried class
- Tech- based lending

11% of  
AUM



## Gold Loans

**Launch Year:** 2007

- Focused on 5 leading gold demand states.
- Offered through existing regional network.

5% of  
AUM



## Personal Loans

**Launch Year:** 2002

- Cross sell product
- Entirely based on data mining & analytics
- Cash Flow based Lending

2% of  
AUM



## Auto Loans

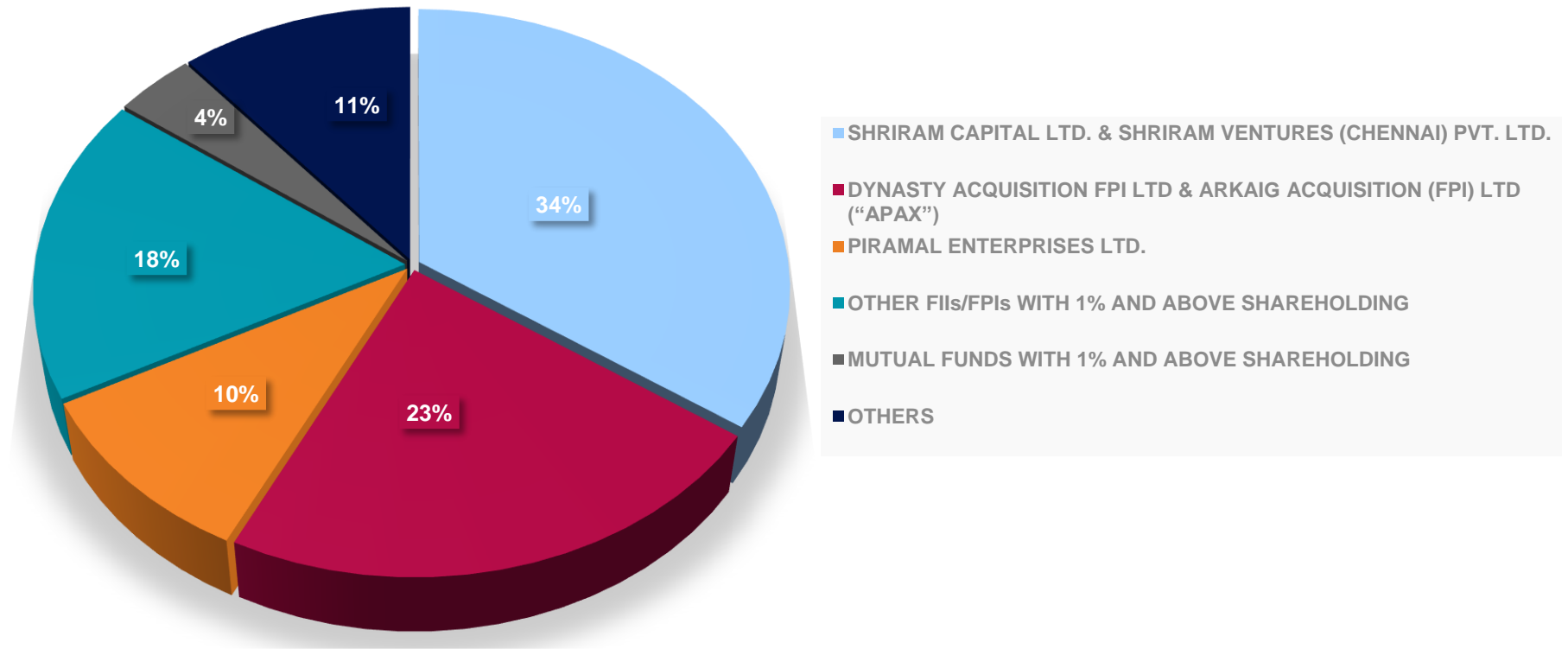
**Launch Year:** 2006

- Primarily involves Preowned cars, PVs & 3Ws and 2Ws
- Relationship based lending, offered to existing/past customers.



# Stakeholders Profile

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# SUBSIDIARY DETAILS

SHRIRAM HOUSING FINANCE LIMITED

# Shriram Housing Finance Ltd.

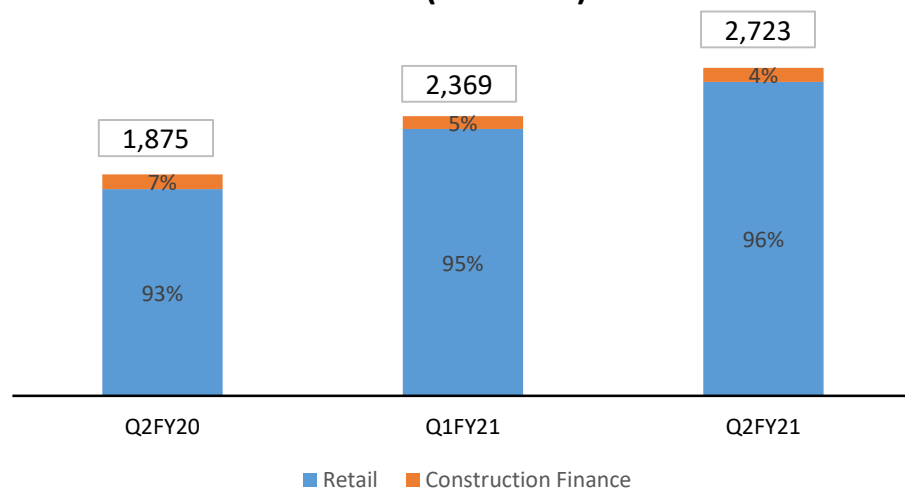


**Housing:**  
**9.2% of**  
**Consol**  
**AUM**

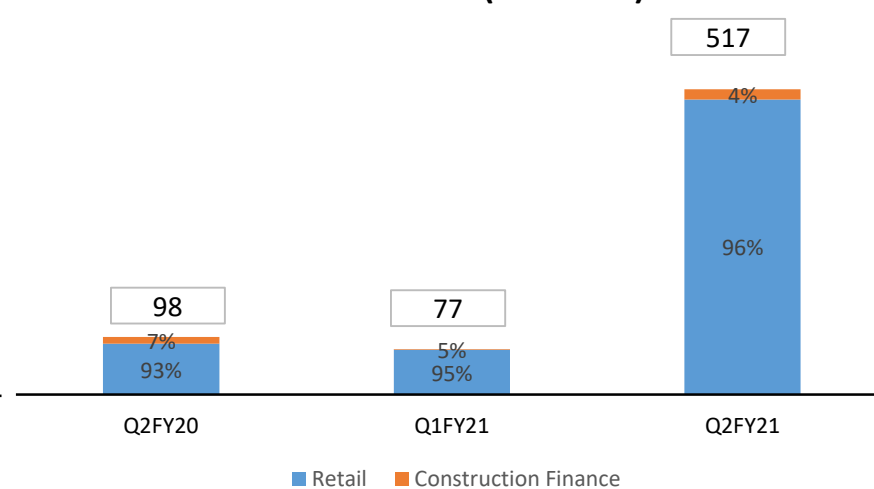
- ✓ Registered as non-deposit accepting HFC with the National Housing Bank
- ✓ Predominantly catering to self-employed borrowers/ informal salaried customers in Tier-II / Tier-III towns
- ✓ Focus on middle-income segment; average ticket size of INR 20.3 lakhs
- ✓ Operates out of 73 branches across 15 states in India with 761 employees, catering to 12239 customers
- ✓ Rated 'AA' by Care Ratings and 'Ind AA' by India Ratings

## Loan AUM & Disbursement Split

**AUM (in Rs Crs.)**



**Disbursement (in Rs Crs.)**



# Shriram Housing Finance Ltd. – Q2 snapshot – forging ahead

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- ✓ In Q2, SHFL registered, at Rs. 517 Cr., its highest ever quarterly disbursement since inception..
- ✓ All key metrics in the shape of NIM, PBT, PAT and ROA were positive in Q2. PAT grew 142% YoY and 200% QoQ.
- ✓ AUM grew at 48% YoY and 17% sequentially.
- ✓ GNPA moderated to 2.2%, the lowest in the last five years. PCR was steady at 21%. Of the customers acquired from January 2019 onwards, only two are delinquent (30+ DPD). There are NIL NPAs from loans sourced in the last two years.
- ✓ Collection Efficiency in the month of September 2020 was 94.3%. There was significant improvement in 61 – 90 DPD, which declined from 6.1% in September 2019 to 1.3% in September 2020.
- ✓ Branch network grew to 73. The Company expects to end FY21 with 100 branches.
- ✓ As on 30-Sep-20, SHFL possessed backup liquidity of Rs. 692 Cr..
- ✓ Cost of Funds declined by 20 bps QoQ and was below 9% in the month of September 2020. For Q2, Cost of Funds was 9.1%
- ✓ SHFL has tied up with vendors in the areas of Bureau Integration, analytical tools, document management systems and contactless & cashless collections, thus making for a lean, efficient organization.

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights – Quarter ended Sept. 2020

Particulars (INR in Crores)	Q2FY20	Q1FY21	Q2FY21	Growth	
				YoY	QoQ
Assets Under Management	1875	2369*	2779*	48.2%	17.3%
Disbursements	98	77	517	427.6%	571.4%
Interest Income	66.25	65.79	74.45	12.4%	13.2%
Other Income	6.91	6.05	38.54	457.7%	537.0%
Income from Operations	73.16	71.84	112.99	54.4%	57.3%
Interest Expenses	38.75	43.86	50.13	29.4%	14.3%
Net Interest Income	34.41	27.98	62.86	82.7%	124.7%
Operating Expenses	23.98	20.39	29.60	23.4%	31.1%
Impairment on Financial Instruments & Write-offs	0.38	(0.59)	4.92	1194.7%	-
Profit Before Tax	10.04	8.18	28.35	182.4%	246.6%
<b>Profit After Tax</b>	<b>7.41</b>	<b>5.99</b>	<b>17.91</b>	<b>141.7%</b>	<b>199.0%</b>

\* Includes assigned pool

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights – Half Year ended Sept. 2020

Particulars (INR in Crores)	H1FY20	H2FY20	H1FY21	Growth	
				YoY	HoH
Assets Under Management	1875	2305*	2779*	48.2%	17.3%
Disbursements	341	786	594	74.2%	(24.4%)
Interest Income	135.00	124.64	140.24	3.9%	12.5%
Other Income	16.60	89.76	44.59	168.6%	(50.3%)
Income from Operations	151.60	214.40	184.83	21.9%	(13.8%)
Interest Expenses	76.83	86.14	94.00	22.3%	9.1%
Net Interest Income	74.77	128.25	90.83	21.5%	(29.2%)
Operating Expenses	48.11	64.02	49.99	3.9%	(21.9%)
Impairment on Financial Instruments & Write-offs	7.41	8.18	4.32	(41.7%)	(47.2%)
Profit Before Tax	19.25	46.06	36.53	89.8%	(20.7%)
<b>Profit After Tax</b>	14.30	32.22	23.90	67.1%	(25.8%)

\* Includes assigned pool

# Shriram Housing Finance Ltd

## Key Ratios for the Quarter ended 30-Sep-2020

Analysis on Average AUM	Q2FY20	Q1FY21	Q2FY21
Yield on Assets	15.25%	14.17%	19.83%
Finance Expenses	8.08%	8.65%	8.80%
Net Interest Margin	7.17%	5.52%	11.03%
Cost-to-Income	69.71%	72.89%	47.08%
Gross NPAs	3.01%	2.34%	2.24%
Net NPAs	2.37%	1.84%	1.76%
RoA	1.55%	1.18%	3.14%
RoE	6.17%	4.70%	13.45%
Leverage (times)	3.52	4.16	4.48
Capital Adequacy Ratio	32.60%	25.41%	24.13%
Net Worth (INR Cr.)	480.49	519.41	537.45

# Shriram Housing Finance Ltd

## Key Ratios for the Half Year ended 30-Sep-2020

Analysis on Average AUM	H1FY20	H2FY20	H1FY21
Yield on Assets	16.25%	14.81%	16.54%
Finance Expenses	8.23%	5.95%	8.41%
Net Interest Margin	8.01%	8.86%	8.13%
Cost-to-Income	64.34%	49.91%	55.03%
Gross NPAs	3.01%	2.41%	2.24%
Net NPAs	2.37%	1.89%	1.76%
RoA	1.53%	2.23%	3.27%
RoE	6.03%	8.72%	9.07%
Leverage (times)	3.52	3.76	4.48
Capital Adequacy Ratio	32.60%	27.76%	24.13%
Net Worth (INR Cr.)	480.49	513.01	537.45



# Disclaimer

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