

January 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**

**Sub: Outcome of the Board Meeting**

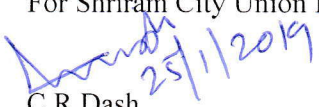
The Board of Directors at their meeting held today have inter alia considered and approved the unaudited financial results of the Company for the third quarter and nine months ended December 31, 2018. The said results were subjected to Limited Review ("LR") by Statutory Auditors of the Company. We enclose herewith the said financial results and the LR Report. The financial results would be published in the format of newspaper publication version in one english and one vernacular newspaper.

The meeting started at 9.00 a.m. and ended at 18.30 p.m.

This is an intimation under regulation 30 (6), 33(2), 33(3), 47(1), 47(3) and other applicable regulations of 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**

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



## **Investor Presentation**

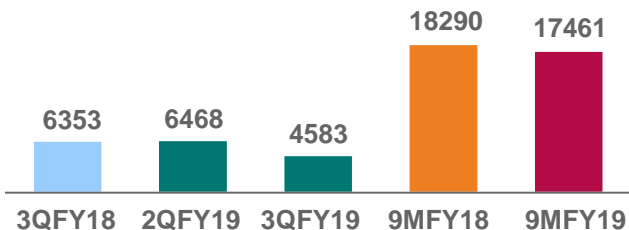
**3Q and 9MFY19**

# Performance Highlights for 3QFY19 and 9MFY19

## Key Financial Metrics

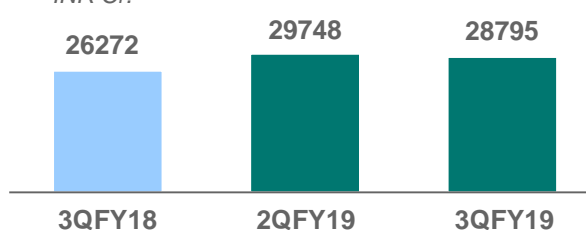
### Total Disbursements

INR Cr.



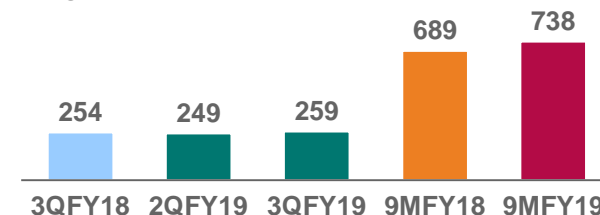
### Total AUM – Under Ind AS

INR Cr.



### PAT – Under Ind AS

INR Cr.

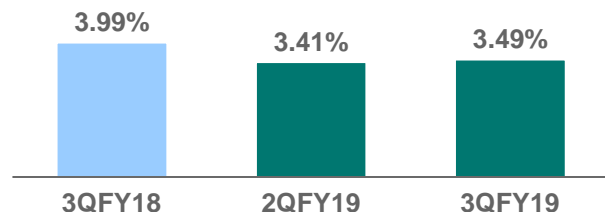


Ex-gold disbursement growth was lower by 18% YoY and 16% QoQ

Ex-gold AUM growth was 14.20% YoY

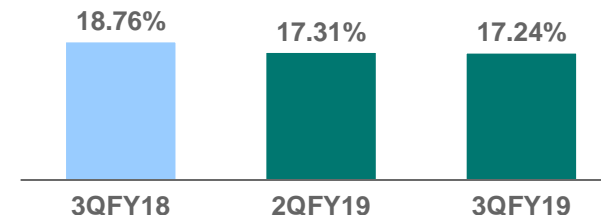
### RoA – Under Ind AS

% of Average AUM – annualized basis



### RoE – Under Ind AS

% of Average Network – annualized basis

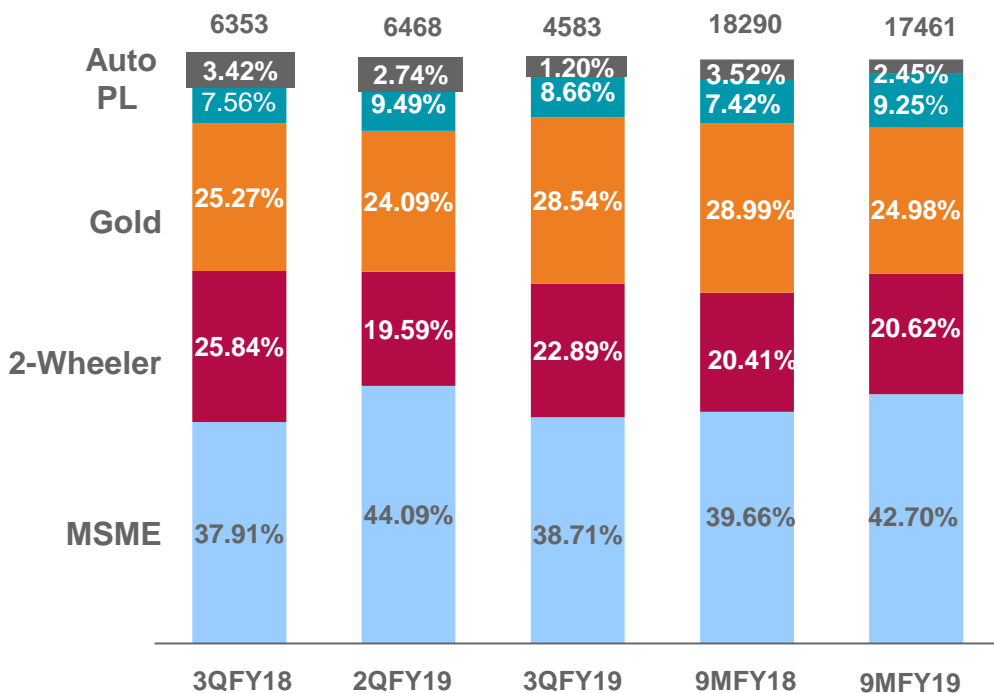


# Performance Highlights for 3QFY19 and 9MFY19

## Product-wise Performance

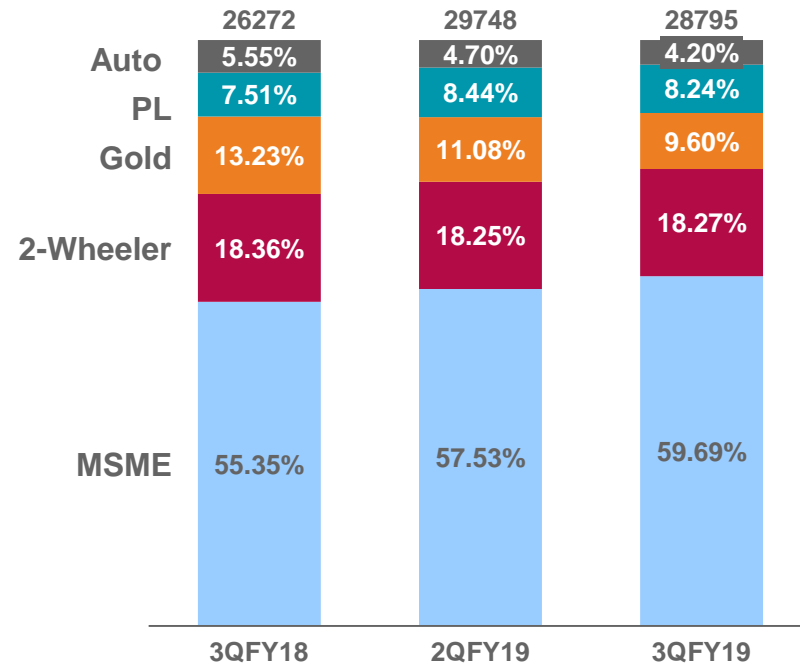
### Disbursement by Product

INR Cr.



### AUM by Product – Under Ind AS

INR Cr.

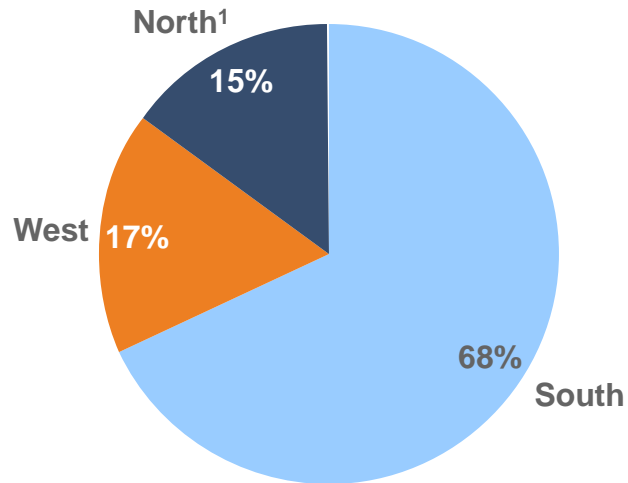


# Performance Highlights for 3QFY19

## Geographic Breakup of Business

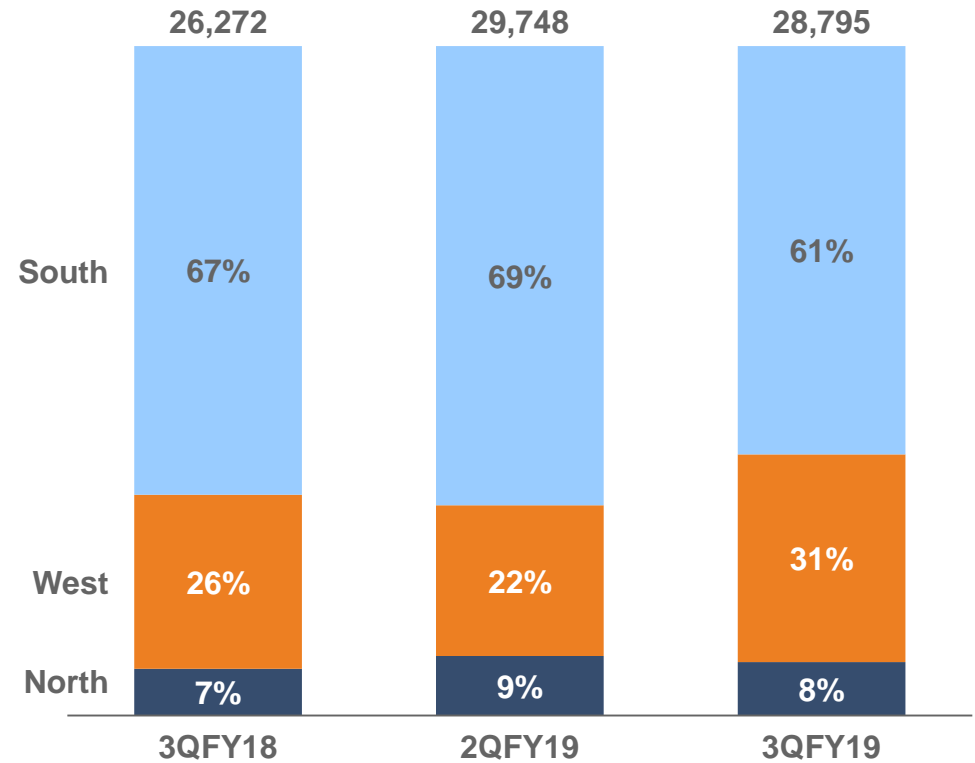
### Branch Network by Geography

969 branches as of 31-Dec-2018



### AUM by Geography

AUM in INR Cr.



# Performance Highlights for 3QFY19

## Income Statement under Ind-AS vs. I-GAAP

Particulars (INR in Crores)	As per Ind AS			As per IGAAP			YoY Growth	
	3QFY18	2QFY19	3QFY19	3QFY18	2QFY19	3QFY19	IND AS	IGAAP
<b>Assets Under Management</b>	<b>26272</b>	<b>29748</b>	<b>28795</b>	<b>26077</b>	<b>29472</b>	<b>28527</b>	<b>9.60%</b>	<b>9.40%</b>
Disbursements	6353	6468	<b>4583</b>	6353	6468	4583	-27.86%	-27.86%
<b>Income from Operations</b>	<b>1363</b>	<b>1515</b>	<b>1440</b>	<b>1338</b>	<b>1482</b>	<b>1441</b>	<b>5.65%</b>	<b>7.70%</b>
Other Income	15	1	<b>0</b>	15	1	0	100.00%	100.00%
<b>Total Income</b>	<b>1378</b>	<b>1516</b>	<b>1440</b>	<b>1353</b>	<b>1483</b>	<b>1442</b>	<b>4.50%</b>	<b>6.50%</b>
Interest Expenses	424	495	<b>530</b>	422	501	529	25.00%	25.36%
<b>Net Interest Income</b>	<b>954</b>	<b>1021</b>	<b>910</b>	<b>931</b>	<b>982</b>	<b>913</b>	<b>-3.09%</b>	<b>-0.33%</b>
Personnel Expenses	195	212	<b>207</b>	194	215	216	6.15%	11.34%
Other Operating Expenses (incl depreciation)	193	185	<b>166</b>	192	184	154	-13.99%	-19.79%
<b>Total Operating Expenses</b>	<b>388</b>	<b>397</b>	<b>374</b>	<b>386</b>	<b>398</b>	<b>371</b>	<b>-3.87%</b>	<b>-4.15%</b>
<b>Pre Provisions Profits</b>	<b>566</b>	<b>624</b>	<b>536</b>	<b>545</b>	<b>583</b>	<b>542</b>	<b>-5.30%</b>	<b>-0.55%</b>
Provisions for NPA & Std Assets	25	98	<b>-16</b>	47	60	-6	-164.00%	-112.77%
Write offs	157	152	<b>150</b>	157	152	150	-4.46%	-4.46%
<b>Provisions &amp; Write offs</b>	<b>183</b>	<b>251</b>	<b>134</b>	<b>205</b>	<b>212</b>	<b>143</b>	<b>-26.78%</b>	<b>-30.24%</b>
Profit Before Tax	384	374	<b>403</b>	340	371	399	4.95%	17.35%
<b>Profit After Tax</b>	<b>254</b>	<b>249</b>	<b>259</b>	<b>226</b>	<b>242</b>	<b>260</b>	<b>1.97%</b>	<b>15.04%</b>

# Performance Highlights for 9MFY19

## Income Statement under Ind-AS vs. I-GAAP

Particulars (INR in Crores)	As per Ind AS		As per IGAAP		YoY Growth	
	9MFY18	9MFY19	9MFY18	9MFY19	IND AS	IGAAP
<b>Assets Under Management</b>	<b>26272</b>	<b>28795</b>	<b>26077</b>	<b>28527</b>	<b>9.60%</b>	<b>9.40%</b>
Disbursements	18290	17461	18290	17461	-4.53%	-4.53%
<b>Income from Operations</b>	<b>3877</b>	<b>4342</b>	<b>3841</b>	<b>4328</b>	<b>11.99%</b>	<b>12.68%</b>
Other Income	16	2	17	3	-87.50%	-82.35%
<b>Total Income</b>	<b>3893</b>	<b>4344</b>	<b>3858</b>	<b>4331</b>	<b>11.58%</b>	<b>12.26%</b>
Interest Expenses	1243	1489	1237	1490	19.80%	20.45%
<b>Net Interest Income</b>	<b>2633</b>	<b>2853</b>	<b>2604</b>	<b>2838</b>	<b>8.36%</b>	<b>8.99%</b>
Personnel Expenses	522	624	520	638	19.54%	22.69%
Other Operating Expenses (incl depreciation)	525	502	517	501	-4.38%	-3.09%
<b>Total Operating Expenses</b>	<b>1047</b>	<b>1126</b>	<b>1037</b>	<b>1139</b>	<b>7.55%</b>	<b>9.84%</b>
<b>Pre Provisions Profits</b>	<b>1602</b>	<b>1729</b>	<b>1584</b>	<b>1703</b>	<b>7.93%</b>	<b>7.51%</b>
Provisions for NPA & Std Assets	93	126	183	132	35.48%	-27.87%
Write offs	459	473	459	473	3.05%	3.05%
<b>Provisions &amp; Write offs</b>	<b>551</b>	<b>599</b>	<b>642</b>	<b>605</b>	<b>8.71%</b>	<b>-5.76%</b>
Profit Before Tax	1051	1129	942	1098	7.42%	16.56%
<b>Profit After Tax</b>	<b>689</b>	<b>738</b>	<b>618</b>	<b>717</b>	<b>7.11%</b>	<b>16.02%</b>

# Performance Highlights for 3QFY19

## Analysis on Average AUM

Analysis on Average AUM	As per Ind AS			As per IGAAP		
	3QFY18	2QFY19	3QFY19	3QFY18	2QFY19	3QFY19
<b>Yield on Assets</b>	<b>21.23%</b>	<b>20.56%</b>	<b>19.68%</b>	<b>21.00%</b>	<b>20.30%</b>	<b>19.88%</b>
Finance Expenses	6.61%	6.72%	7.25%	6.63%	6.86%	7.29%
<b>Net Interest Margin</b>	<b>14.63%</b>	<b>13.84%</b>	<b>12.43%</b>	<b>14.37%</b>	<b>13.43%</b>	<b>12.59%</b>
Personnel Expenses	3.03%	2.87%	2.84%	3.04%	2.94%	2.99%
Other Opex	3.01%	2.51%	2.28%	3.01%	2.52%	2.13%
<b>Total Operating Expenses</b>	<b>6.04%</b>	<b>5.38%</b>	<b>5.11%</b>	<b>6.06%</b>	<b>5.46%</b>	<b>5.11%</b>
<b>Pre Provision Profits</b>	<b>8.82%</b>	<b>8.47%</b>	<b>7.33%</b>	<b>8.55%</b>	<b>7.99%</b>	<b>7.48%</b>
Provisions for NPA, & Std Assets / ECL *	0.39%	1.33%	-0.22%	0.74%	0.82%	-0.09%
Write offs	2.45%	2.07%	2.04%	2.47%	2.09%	2.07%
<b>Provisions &amp; Write offs</b>	<b>2.84%</b>	<b>3.40%</b>	<b>1.82%</b>	<b>3.21%</b>	<b>2.91%</b>	<b>1.98%</b>
<b>Net Spread (Pre Tax)</b>	<b>5.98%</b>	<b>5.07 %</b>	<b>5.50%</b>	<b>5.34%</b>	<b>5.08%</b>	<b>5.51%</b>
Cost to Income Ratio	<b>41.30%</b>	38.90%	<b>41.10%</b>	<b>42.15%</b>	40.63%	<b>40.59%</b>
Earnings per Share (Rs- for the Quarter)	<b>38.51</b>	37.79	<b>39.22</b>			
Book Value per Share (Rs)	<b>843.34</b>	884.55	<b>935.42</b>			
CRAR Total				<b>22.78%</b>	20.79%	<b>23.01%</b>
CRAR (Tier I)				21.59%	20.44%	22.55%



## Asset Quality Details (as per IGAAP)

Product	3QFY18 (120 DPD)			2QFY19 (90 DPD)			3QFY19 (90 DPD)		
	GNPA	NNPA	PCR(IGAAP)	GNPA	NNPA	PCR(IGAAP)	GNPA	NNPA	PCR(IGAAP)
Small Enterprise Finance	7.11%	2.09%	70.68%	9.63%	3.65%	62.12%	9.30%	3.19%	65.69%
Two Wheelers	6.86%	1.95%	71.61%	9.87%	4.80%	51.37%	9.36%	3.22%	65.60%
Auto Loans	9.55%	2.57%	73.11%	11.05%	4.42%	60.00%	11.00%	3.78%	65.60%
Personal Loans	9.08%	-	100.00%	10.53%	-	100.00%	10.12%	-	100.00%
Loan Against Gold	2.78%	0.82%	70.44%	1.85%	0.92%	50.00%	2.07%	0.71%	65.60%
<b>Total</b>	<b>6.77%</b>	<b>1.76%</b>	<b>73.98%</b>	<b>8.94%</b>	<b>3.27%</b>	<b>63.38%</b>	<b>8.73%</b>	<b>2.70%</b>	<b>69.06%</b>

# Stage Analysis as per Ind AS

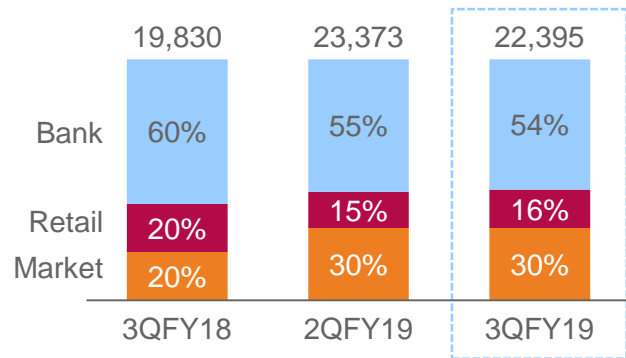
Rs. Crores

Provisions Analysis as per Ind AS	As at		
	Dec-17	Sep-18	Dec-18
Stage 3 - Gross	2523	2962	2716
Stage 3 - ECL Provisions	1164	1429	1318
Stage 3 - Net	1358	1533	1398
<b>Stage 3 - Coverage Ratio (%)</b>	<b>46.16%</b>	<b>48.24%</b>	<b>48.51%</b>
Stage 1 & 2 - Gross	23733	26604	25489
Stage 1 & 2 - ECL Provisions	414	653	748
Stage 1 & 2 - Net	23320	25950	24741
<b>Stage 1 &amp; 2 - ECL Provisions %</b>	<b>1.74%</b>	<b>2.46%</b>	<b>2.94%</b>
<b>Stage 3 % - Gross</b>	<b>9.61%</b>	<b>10.02%</b>	<b>9.63%</b>
<b>Stage 3 % - Net</b>	<b>5.17%</b>	<b>5.19%</b>	<b>4.96%</b>

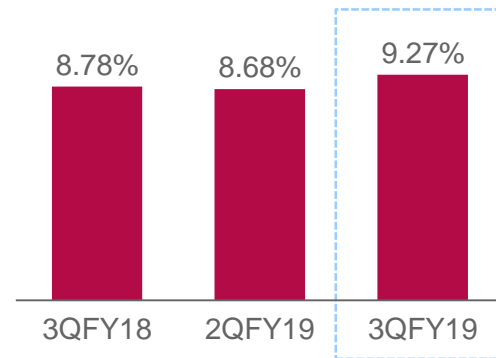
# Diversified Borrowing Profile

## Funding Mix and Cost Analysis

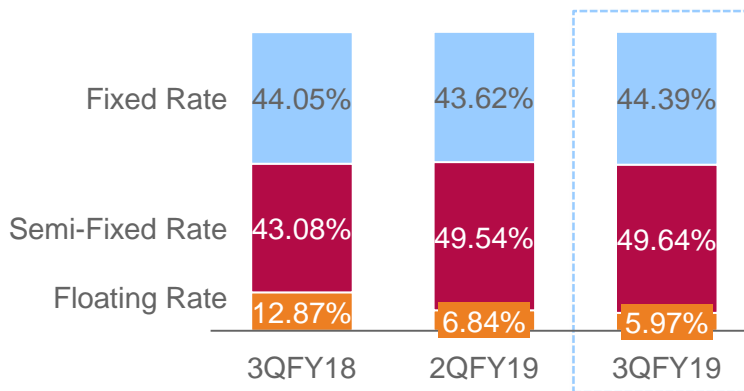
Split of Borrowing  
(INR Cr.)



Average Cost of  
Borrowing (as per Ind AS)



## Interest Rate Mix of Borrowings



## Credit Ratings



# ALM statement as of 31 Dec 2018

## ASSUMING 100% COLLECTION EFFICIENCY

Rs. Crores

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
Liquidity Back Ups (Current Account & Fixed deposits)	1,845								1,845
Inflows from Assets (Assets)	1,496	1,095	1,191	3,759	6,322	8,448	2,044	1,454	25,809
Outflows towards Scheduled Commitments (Borrowings)	1,145	1,233	1,825	2,114	5,596	8,932	1,069	-	21,914
Mismatch	2,196	-138	-634	1,644	726	-484	975	1,454	5,739
<b>Cumulative Mismatch</b>	<b>2,196</b>	<b>2,058</b>	<b>1,424</b>	<b>3,068</b>	<b>3,794</b>	<b>3,310</b>	<b>4,285</b>	<b>5,739</b>	

## 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
Liquidity Back Ups (Current Account & Fixed deposits)	1,845								1,845
Inflows from Assets (Assets)	1,346	985	1,072	3,383	5,690	7,603	1,839	1,309	23,228
Outflows towards Scheduled Commitments (Borrowings)	1,145	1,233	1,825	2,114	5,596	8,932	1,069	-	21,914
Mismatch	2,046	-248	-753	1,268	94	-1,329	771	1,309	3,158
<b>Cumulative Mismatch</b>	<b>2,046</b>	<b>1,798</b>	<b>1,046</b>	<b>2,314</b>	<b>2,408</b>	<b>1,079</b>	<b>1,849</b>	<b>3,158</b>	

# Outlook

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## ✓ **Grow loan book at 18-20% CAGR**

- Consolidate leadership positions in MSME Finance and 2-W Finance
- Leverage existing branch network to offer all products
- Continue to promote cross-sell of products to our customer base
- Adequately capitalized for continued growth in the medium term

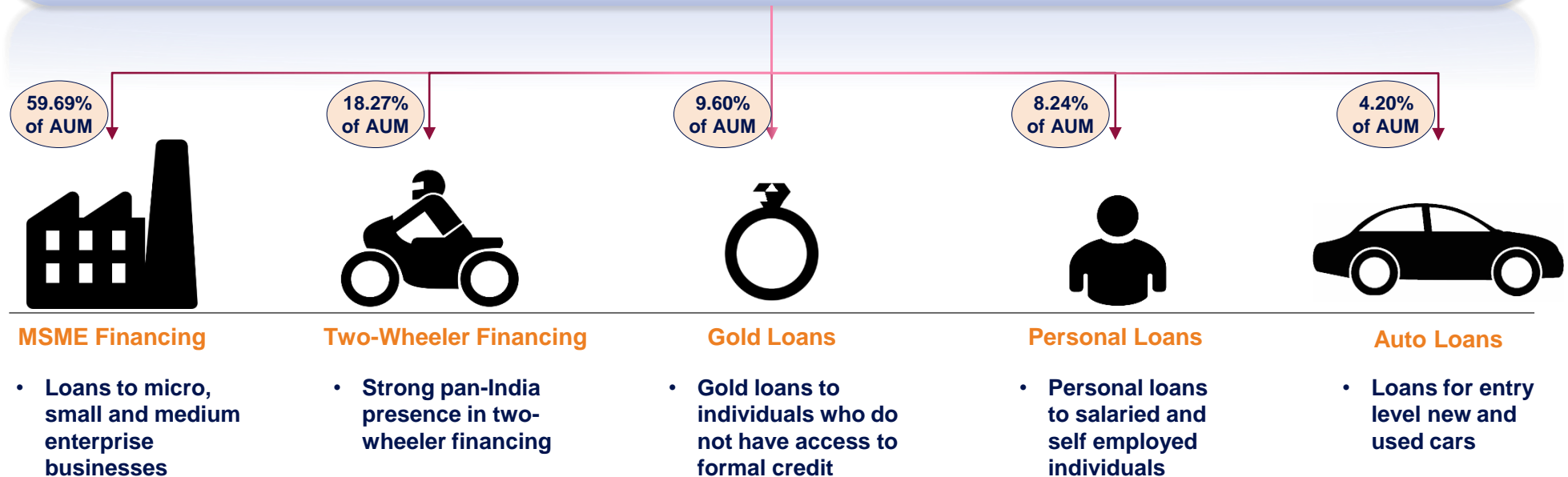
## ✓ **Revert to our historical RoE range of 18-20%**

- Digital enablement of entire business to drive growth and operational efficiencies
- Normalization of credit costs following disruption and accounting effects over FY16-18

# Company Overview



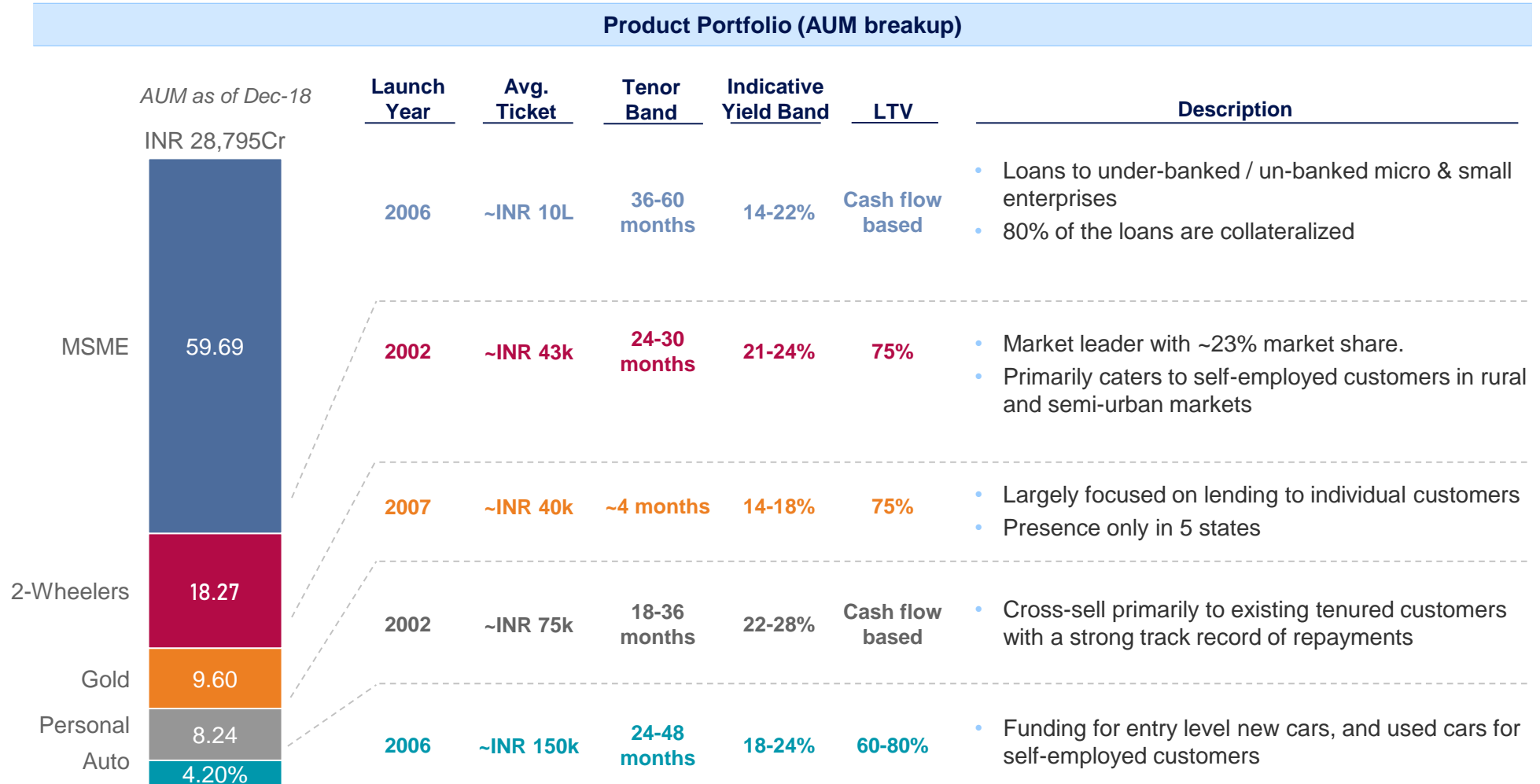
- 33 years in existence
- Primarily caters to un-banked and under-banked customers
- Leading small enterprise finance company in India in the small loan segment
- Leading two-wheeler lender in India
- Active customer base of 3.78 mn; Strong base of 27179 employees
- Strong presence in the rural and semi-urban markets



***Presence across attractive retail lending segments***

# Company Overview

## Product details



***Niche, granular and diversified product portfolio focused on harder to access customers***

# Company Overview

## Business Strategy – Cash Flow Based Lending

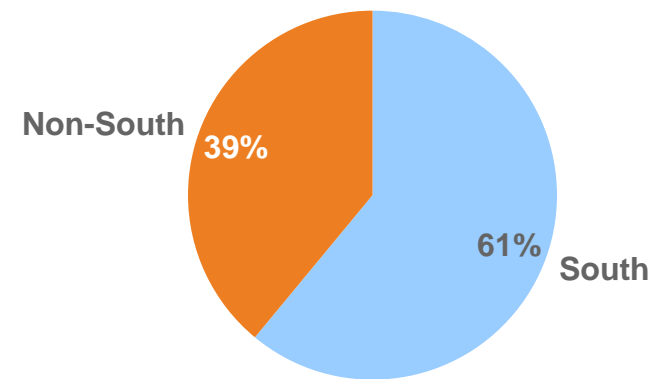
59.69%  
of AUM

### MSME Finance

- Cash flow based lending model
- Relationship and contact-led, community-driven approach enable us to profitably serve customers in rural and semi-urban India
- Empowered branches with tailored credit appraisal techniques
  - Locally drawn field force with personal knowledge of the market
  - In-house teams for pre-lending field investigations and appraisals
- Long runway for growth:
  - Geographical expansion
  - Deeper penetration in existing markets
  - Increasing customer lifecycle

### MSME AUM Split by Geography

As of Dec-18



8.24% of  
AUM

### Personal Loans

- Primarily to existing customers with track record of timely repayments
- Cross-sell product that provides operating leverage to the business and enables us to service the customer better
- Significant runway for growth through continued improvement in cross-sell penetration



# Company Overview

## Business Strategy – Asset Financing

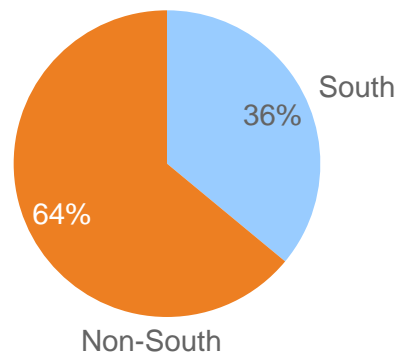
18.27%  
of AUM

### 2-W Financing

- Caters largely to self-employed customers in rural and semi-urban markets
- Lead financier in the 2-W market; Focus on:
  - Historically under-served markets,
  - Quick turnaround times,
  - Excellent relationships with dealers and OEMs, and
  - Feet-on-street model
  - Growth headroom from geographical expansion and improvement in financing penetration

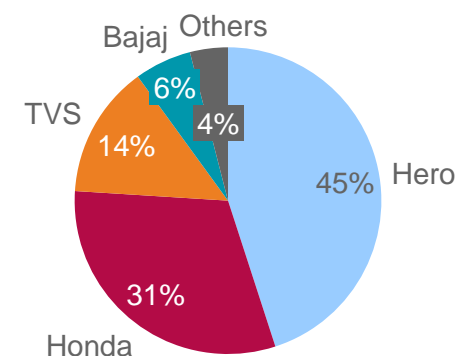
### 2-W AUM Split by Geography

As of Dec-18



### 2-W OEM Exposure

As of Dec-18



9.60%  
of AUM

### Loans against Gold

- Loans primarily to individual customers
- Business conducted out of existing branches – provides operating leverage and mitigates risk

# Key Highlights

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1

**Addressing large, under-served markets**

2

**Differentiated product offerings with high entry barriers**

3

**Focus on credit quality and collections**

4

**Digitally-enabled & well-positioned to exploit multiple growth opportunities**

5

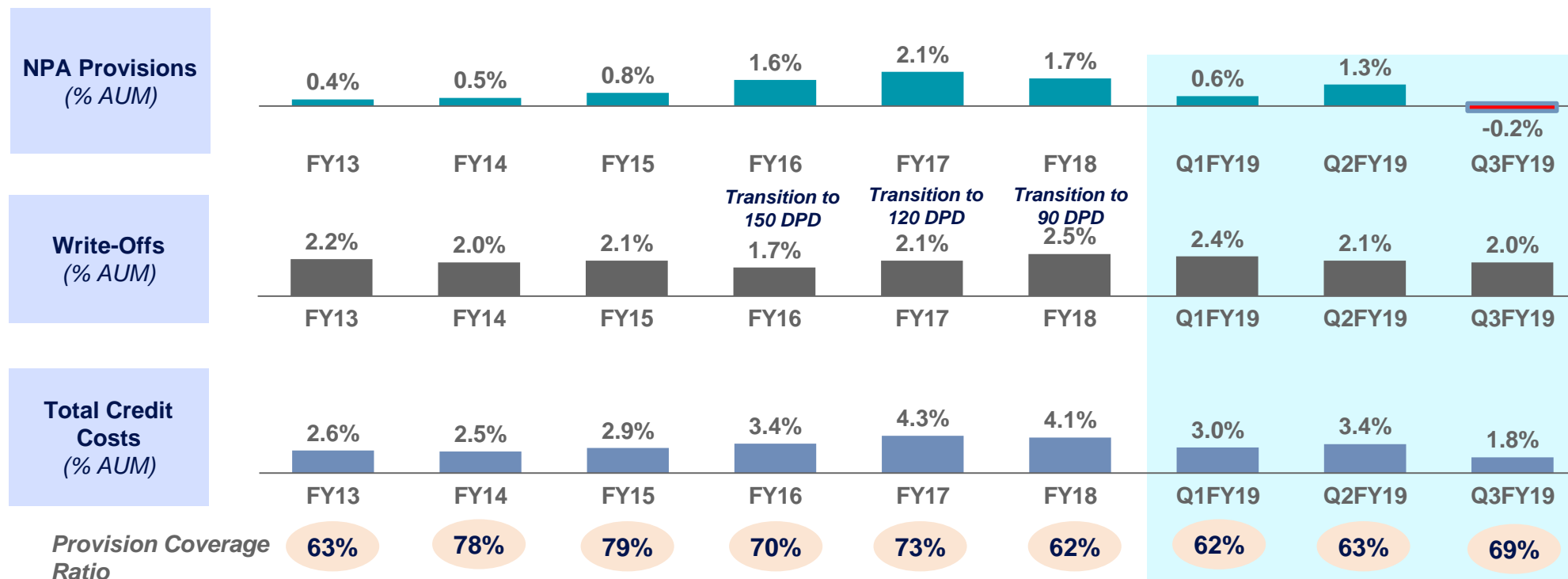
**Adequately leveraged for growth**

6

**Strong financial metrics**



# Credit cost trajectory



# Shriram Housing Finance Ltd

## Establishing presence in Affordable Housing through subsidiary Shriram Housing



**Housing:**  
**5.64% of**  
**Consol**  
**AUM**

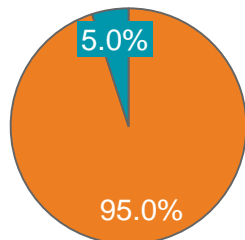
- ✓ Registered as non-deposit accepting HFC with the National Housing Bank
- ✓ Predominantly catering to self-employed borrowers/ informal salaried customers in Tier-II / Tier-III towns
- ✓ Focus on lower-income segment; average ticket size of INR 17.1 lakhs
- ✓ Operates out of 88 branches across 17 states in India with 823 employees
- ✓ Rated 'AA+' by Care Ratings and 'Ind AA' by India Ratings

### Growing presence in retail housing segment

#### Loan AUM Split

*As of 3QFY18*

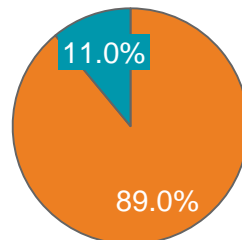
Construction Finance



Retail

*As of 3QFY19*

Construction Finance



Retail

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights

Particulars (INR in Crores)	As per Ind AS		As per IGAAP		YoY Growth	
	3QFY18	3QFY19	3QFY18	3QFY19	IND AS	IGAAP
<b>Assets Under Management</b>	1,612	1,721	1,604	1,719	6.77%	7.18%
Disbursements	165	11	165	11	-93.19%	-93.19%
Interest Income	61.12	67.00	57.79	64.93	9.62%	12.35%
Other Income	5.03	4.19	5.15	2.77	-16.61%	-46.19%
Income from Operations	66.15	71.19	62.94	67.70	7.62%	7.56%
Interest Expenses	26.59	32.78	26.79	32.94	23.28%	22.98%
Net Interest Income	39.56	38.41	36.16	34.76	-2.90%	-3.87%
Personnel Expenses	12.13	13.73	12.13	13.75	13.13%	13.32%
Operating Expenses & others	14.47	11.61	14.33	11.42	-19.74%	-20.25%
Impairment on financial instruments/Provisions & Write offs	4.62	2.70	1.39	1.99	-41.54%	43.55%
Total Expenses	31.22	28.03	27.85	27.16	-10.19%	-2.45%
Profit Before Tax (Operational)	8.34	10.38	8.31	7.60	24.37%	-8.60%
Loss on account of one time extraordinary items	-	18.50	-	8.90	0.00%	0.00%
Profit Before Tax	8.34	(8.12)	8.31	(1.30)	NM	-115.67%
Profit After Tax & extraordinary items	4.90	(8.32)	4.86	0.75	NM	-84.60%

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights

Particulars (IND AS) (INR in Crores)	As per Ind AS		As per IGAAP	
	3QFY18	3QFY19	3QFY18	3QFY19
<b>Yield on Assets</b>	16.26%	15.43%	15.66%	14.75%
Financial Expenses	8.71%	8.35%	9.00%	8.78%
<b>Net Interest Margin</b>	9.71%	8.31%	8.99%	7.51%
Cost to Income Ratio	67.23%	65.96%	73.18%	72.42%
Gross NPAs	6.63%	3.22%	5.82%	2.76%
Net NPAs	4.12%	2.34%	4.26%	1.99%
<b>RoA</b>	<b>1.13%</b>	<b>-1.63%</b>	<b>1.09%</b>	<b>0.15%</b>
<b>RoE</b>	<b>4.64%</b>	<b>-7.33%</b>	<b>4.49%</b>	<b>0.66%</b>
Leveraging	2.88x	3.27x	2.74x	3.22x
Capital Adequacy Ratio (IGAAP)	NA	32.53%	35.85%	33.29%
<b>Net worth (INR Cr.)</b>	<b>418.09</b>	<b>447.12</b>	<b>432.36</b>	<b>449.43</b>

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