SHRIRAM CITY UNION FINANCE LIMITED

Performance Review for the quarter & year ended March 2017

Performance Updates

- Shriram City during the year ended March 2017, recorded 18.2% growth in Assets Under Management and AUM as at March 2017 is at Rs. 23132 Crores. Non gold portfolio recorded a 21.9% growth as compared to year ended march 2016. On quarterly basis total AUM grew by 2.6% and non gold portfolio recorded a 2.7% growth.

- Small enterprise finance portfolio continues to remain as the largest contributing segment at 54.7% of total AUM. This segment has recorded a 20.9% growth on a YOY basis.

- Disbursements for the year stood at 22356 Cr – growth of 19.9% as compared to previous year. 41% of disbursements are in small enterprise finance portfolio. For the quarter disbursements were at Rs. 6245 Crores – growth of 21.4% as compared to previous quarter ended Dec 2016.

- As per the regulatory requirements, NPA is recognized at 120 days past due basis as compared to 150 dpd upto previous quarter .

- Yield on assets for the year ended March 2017 stood at 20.75% as compared to 21.13% in previous year

- Cost of borrowings recorded a dip of 56 bps and is at 9.76% as compared to 10.32% in March 2016

- Net interest margin stood at 13.57% for the year ended March 2017 as compared to 13.51% in March 2016 For the quarter the same stood at12.50% (dip being on account of income reversals)

Performance Updates contd.,

- Personnel expenses & Opex grew at 7.2% and 9.2% respectively for the year and is at 5.32% of the average AUM as compared to 5.78% during the previous year.

- NPA is recognized at 120 days past due basis and Gross NPA is at 6.73%. Coverage has been made at 73.3% and the Net NPA stood at 1.79%

- Profit before tax for the year stood at Rs. 853.64 Crores, a growth of 5.8% as compared to March 2016. For the quarter PBT stood at 20.61 Crores.

- Profit After tax for the year ended March 2017 stood at Rs. 556.06 Crores as compared to 529. 78 Cr in March 2016 – a growth of 5% on YOY basis. PAT for the quarter stood at Rs. 12.04 Cr.

Performance Highlights – Quarter & Year Ended March 2017

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

(INR in Crores)

Particulars	Quarter ended			Growth		As at		YOY Growth
	Mar-16	Dec-16	Mar-17	YOY	QOQ	Mar-16	Mar-17	
Assets Under Management	**19576**	**22544**	**23132**	**18.2%**	**2.6%**	**19576**	**23132**	**18.2%**
Disbursements	5223	5146	6245	19.6%	21.3%	18649	22356	19.9%
Income from Operations	976	1156	1107	13.5%	-4.2%	3835	4432	15.6%
Interest Expenses	353	393	394	11.4%	0.1%	1383	1534	10.9%
Net Interest Income	**622**	**762**	**713**	**14.6%**	**-6.4%**	**2451**	**2897**	**18.2%**
Other Income	16	1	0	-96.9%	-16.2%	21	3	-86.3%
Personnel Expenses	153	139	139	-9.1%	-0.4%	513	550	7.2%
Operating Expenses *(incl Depreciation)*	143	158	143	-0.4%	-9.9%	536	586	9.2%
Pre Provisions Profits	**342**	**465**	**432**	**26.3%**	**-7.1%**	**1423**	**1764**	**24.0%**
Provisions & Write offs	256	224	412	60.8%	83.7%	616	911	47.7%
Profit Before Tax	**86**	**241**	**21**	**-76.1%**	**-91.5%**	**807**	**854**	**5.8%**
Profit After Tax	**55**	**158**	**12**	**-78.3%**	**-92.4%**	**530**	**556**	**5.0%**

Disbursements & Assets Under Management

(INR in Crores)

Product Segment	Disbursements (quarter ended)			Growth		Year ended		Growth
	Mar-16	Dec-16	Mar-17	YOY	QOQ	Mar-16	Mar-17	
Small Enterprises Finance	2282	1934	2405	5.1%	24.4%	8170	9133	11.8%
Two Wheeler	984	1208	921	-6.9%	-23.8%	3718	4143	11.4%
Loan Against Gold	1441	1430	2229	35.4%	55.9%	4892	6641	35.7%
Others	515	575	690	25.3%	20.1%	1868	2440	30.6%
Total Disbursements	**5223**	**5146**	**6245**	**16.4%**	**21.3%**	**18649**	**22356**	**19.9%**

Product Segment	Assets Under Management (as at)			Growth	
	Mar-16	Dec-16	Mar-17	YOY	QOQ
Small Enterprises Finance	10473	12313	12659	20.9%	2.8%
Two Wheeler	3491	4120	4058	16.2%	-1.5%
Loan Against Gold	3408	3362	3427	0.6%	1.9%
Others	2204	2749	2988	35.6%	8.7%
Total AUM	**19576**	**22544**	**23132**	**18.2%**	**2.6%**

Analysis on Average AUM

(INR in Crores)

Analysis on Average AUM	Quarter ended			Year ended	
	Mar-16	Dec-16	Mar-17	Mar-16	Mar-17
Income from Operations	20.23%	21.05%	19.39%	21.13%	20.75%
Financial Expenses	7.33%	7.16%	6.90%	7.62%	7.19%
Gross Spread	**12.90%**	**13.88%**	**12.50%**	**13.51%**	**13.57%**
Personnel Expenses	3.17%	2.54%	2.43%	2.83%	2.58%
OPEX	2.97%	2.88%	2.50%	2.95%	2.74%
Total Expenses	**6.14%**	**5.42%**	**4.93%**	**5.78%**	**5.32%**
Other Income	0.34%	0.01%	0.01%	0.12%	0.01%
Pre Provision Profits	**7.10%**	**8.47%**	**7.57%**	**7.84%**	**8.26%**
Provisions & Write offs	5.31%	4.08%	7.21%	3.40%	4.26%
Net Spread (Pre Tax)	**1.79%**	**4.39%**	**0.36%**	**4.45%**	**4.00%**

Borrowing Profile

Segment wise Borrowing as at Mar 17

(INR in Crores)

Details as at Mar 2017				
Particulars	**Total**	**Fixed**	**Semi Fixed**	**Floating**
Total Borrowings (Rs. Cr)	**17042**	48%	28%	25%
Weighted Average Tenor (in Months)	**20.08**	13.69	27.35	24.24

NPA Details

(INR in Crores)

Particulars	As at		
	Mar-16	Dec-16	Mar-17
NPA Recognition Norms	**150 DPD**	**150 DPD** (dispensation availed)	**120 DPD**
GNPA	980	993	1537
NNPA	297	125	410
Provisions	683	868	1127
Total Assets	19024	22132	22847
GNNPA %	**5.15%**	**4.49%**	**6.73%**
NNPA %	1.56%	0.57%	1.79%
Coverage Ratio	**70%**	**87%**	**73%**

Product Segment	GNPA%	NNPA%	Coverage Ratio
Small Enterprises Finance	7.12%	2.11%	70%
Two Wheelers	7.37%	2.13%	71%
Auto Loans	8.99%	2.47%	73%
Personal Loans	8.78%	-	100%
Loan Against Gold	2.68%	0.80%	70%
Total	**6.73%**	**1.79%**	**73.3%**

Key Ratios

Particulars	Quarter Ended			Year ended	
	Mar 16	Dec 16	Mar 17	Mar 16	Mar 17
Tier I CRAR	23.36%	22.64%	22.25%	23.36%	22.25%
Tier II CRAR	2.78%	2.00%	1.67%	2.78%	1.67%
Capital Adequacy Ratio (%)	**26.14%**	**24.65%**	**23.91%**	**26.14%**	**23.91%**
Return on Average Net Worth (%)	4.91%	12.87%	0.97%	12.33%	11.67%
Return on Average Total Assets (%)	1.08%	2.74%	0.20%	2.72%	2.45%
Leverage	3.20	3.32	3.39	3.20	3.39
Book Value (Rs.)	683.32	750.84	762.08	683.32	762.08
Earnings Per Share (Rs.)	8.42	23.92	1.83	80.37	84.34

Subsidiary Performance Review
-Shriram Housing

Financial Highlights (1/2)

Particulars (INR cr.)	March 2016	Dec 2016	March 2017	YOY Growth	QOQ Growth	FY16	FY17	Growth
	Q-o-Q comparison					Y-o-Y comparison		
AUM	**1,275.0**	**1,833.4**	**1,775.0**	***39.2%***	***(3.2%)***	**1,275.0**	**1,775.0**	***39.2%***
Disbursements	**272.9**	**183.1**	**128.3**	***(53.0%)***	***(29.9%)***	**792.5**	**964.6**	***21.7%***
Retail Disbursements	*244.6*	*169.7*	*110.7*	*(54.8%)*	*(34.8%)*	*710.1*	*765.6*	*7.8%*
CF Disbursements	*28.3*	*13.5*	*17.6*	*(37.5%)*	*31.2%*	*82.4*	*199.0*	*141.5%*
Income from Ops	**49.2**	**74.3**	**73.3**	***48.9%***	***(1.4%)***	**167.2**	**276.7**	***65.5%***
Total Income	**49.3**	**75.6**	**73.7**	***49.5%***	***(2.6%)***	**167.5**	**279.2**	***66.7%***
Interest expenses	17.5	33.5	32.4	*84.6%*	*(3.2%)*	56.5	117.2	*107.4%*
Employee exp.	8.7	12.3	11.0	*27.0%*	*(10.0%)*	27.6	47.0	*70.4%*
Other expenses	10.0	11.4	10.9	*8.8%*	*(4.0%)*	30.1	43.3	*43.6%*
Prov. & write-offs	2.1	4.8	12.2	*472.2%*	*156.4%*	10.5	27.8	*164.6%*
Profit Before Tax	**10.9**	**13.8**	**7.1**	***(34.5%)***	***(48.3%)***	**42.7**	**43.9**	***2.8%***
Profit After Tax	**7.3**	**8.4**	**5.3**	***(27.8%)***	***(36.6%)***	**29.0**	**29.0**	***0.0%***

- AUM has contracted due to low disbursement (30%), higher attrition (7.3%) and reconstruction of portfolio through ARCIL (~INR 50 cr.)
- Drop in q-o-q disbursement (30%) owing to various factors including demonetization
- Provisions & w/o is higher due to higher GNPA (Mar'17 incl. ARCIL portfolio @ 5.30% vs 2.76% in Mar'16)
- Quarterly PBT has reduced due to higher provisioning (swing of INR 7.4 cr. against swing in PBT by INR 6.7 cr.)

Financial Highlights (2/2)

	Q-o-Q comparison					Y-o-Y comparison		
Particulars	**March 2016**	**Dec 2016**	**March 2017**	***Variance YOY***	***Variance QOQ***	**FY16**	**FY17**	***Variance***
Income from Ops (% of avg. AUM)	16.79%	16.44%	16.48%	*0.0%*	*(0.3%)*	16.62%	18.14%	*1.5%*
NIMs	10.81%	9.04%	9.20%	*0.2%*	*(1.6%)*	11.00%	10.45%	*(0.5%)*
Cost to Income Ratio	59.00%	56.05%	53.18%	*(2.9%)*	*(5.8%)*	52.03%	55.75%	*3.7%*
Gross NPAs	2.76%	3.65%	2.59%	*(1.1%)*	*(0.2%)*	2.76%	2.59%	*(0.2%)*
Net NPAs	1.99%	2.55%	1.82%	*(0.7%)*	*(0.2%)*	1.99%	1.82%	*(0.2%)*
ROA	2.33%	1.66%	1.10%	*(0.6%)*	*(1.2%)*	2.66%	1.75%	*(0.9%)*
ROE	7.66%	8.18%	5.20%	*(3.0%)*	*(2.5%)*	7.72%	7.19%	*(0.5%)*
Debt / Equity	2.19x	3.53x	3.33x	*(0.20x)*	*1.13x*	2.19x	3.33x	*1.13x*
Capital Adequacy Ratio	42.85%	29.00%	29.95%	*1.0%*	*(12.9%)*	42.85%	29.95%	*(12.9%)*
Net worth (INR cr.)	389.01	409.00	417.21	*8.21*	*28.19*	389.01	417.21	*28.19*

- Net NPA has reduced from 1.99% to 1.82% y-o-y (effect of ARCIL deal and PCR @ 30%)
- ROA & ROE contracted due to higher provisioning impacting PAT

Thank You