SHELF DISCLOSURE DOCUMENT

October 24, 2017



SHRIRAM CITY UNION FINANCE LIMITED

Corporate Identity Number (CIN) - U65191TN1986PLC012840 (A Public Limited Company Incorporated under the Companies Act, 1956)

Registered Office: 123, Angappa Naicken Street, Chennai Tamil Nadu 600 001 Corporate Office: No.144, Santhome High Road, Mylapore, Chennai - 600 004.

Tel: (044) 43925300; Fax: (044) 4392 5430; E-mail: sect@shriramcity.in Website: www.shriramcity.in

<u>SHELF DISCLOSURE DOCUMENT UNDER SCHEDULE I OF SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AND SEBI</u> (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS 2012, 2014 AND 2015 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LODR") AND COMPANIES ACT 2013 READ WITH COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES 2014.

lssue of 5,000 Secured Non-Convertible Redeemable Debentures ("NCDs") in the nature of Debentures of face value of ` 10,00,000 each for cash, aggregating ` 500 crores on Private Placement basis by Shriram City Union Finance Limited in one or more tranches ("Issue").

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an Investment Decision in relation to this Issue. For taking an Investment Decision, Investors must rely on their own examination of the Issue, Issuer, Shelf Disclosure Document including Risks involved. This Document has not been or will be approved or recommended by any regulatory authority in India including SEBI, RBI, ROC, SE.

ISSUER'S ABSOLUTE RESPONSIBILTY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Disclosure Document contains all information with regard to the Issuer and the Issue, which are material in the context of the Issue, that the information contained in this Shelf Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated as ""CAREAA+; Stable" by Credit Analysis & Research Ltd ("CARE") for an amount up to 500 crores vide it's letter dated October 23, 2017. The rating of the NCDs by CARE indicate high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating provided by CARE may be revised, suspended, withdrawn by the assigning rating agency and should be evaluated independently of any other rating. The above rating is not a recommendation to buy, sell, hold, transact in the NCDs and investors should take their own decision. The rating obtained is subject to revision at any point of time in the future. For, further details, please refer to the rating letter and rationale for the above

LISTING

The NCDs are proposed to be listed on the Wholesale Debt Market (WDM) segment of BSE Limited ("BSE"). Listing will be done as per the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2008 as amended from time to time. The Issuer shall comply with the requirements of LODR to the extent applicable to it on a continuous basis

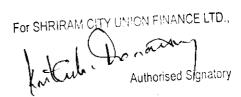
DEBENTURE TRUSTEE ("DT")	REGISTRAR TO ISSUE("RTA")
Catalyst Trusteeship Limited, CIN:U74999PN1997PLC110262	Integrated Registry Management Services Pvt Ltd CIN: U74900TN2015PTC101466
GDA House, 94/95, Plot No.85, Bhusari Colony, (Right) Kothrud,	2 nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar,
Pune - 411038.	Chennai 600017
Tel No: 020-25280081,Fax No: 020-25280275	Tel: (044) 28140801/02/03, Fax:(044) 28142479
Email: dt@ctltrustee.com,	Email: corpserve@integratedindia.in
website :www.catalysttrustee.com	Website: www. integratedindia.com
Contact Person : Ms. Shamala Nalawade	Contact Person : Ms. Anusha

COMPLIANCE OFFICER ("CO")/COMPANY SECRETARY ("CS")	CHIEF FINANCIAL OFFICER ("CFO")	AUDITORS	CREDIT RATING AGENCY
C. R. Dash 144,Santhome High Road,Chennai-600004 Tel:+91 44 43925300, Fax:+91 44 43925430 E-mail: sect@shriramcity.in	R. Chandrasekar, 144,Santhome High Road,Chennai-600004 Tel:+91 44 43925300, Fax: +91 44 43925430	G D Apte & Co Chartered Accountants Firm Registration No:100515W GDA House, 94/95, Plot No.85, Bhusari Colony, (Right) Kothrud, Pune - 411038.	Credit Analysis and Research Ltd Corp Office: 4th Floor, Godrej Colleum Somaiya Hospital Road Off Eastern express Highway Mumbai – 400 022 Tel: 91 22 6754 3456 Email: care@carerating.com

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For SHRIRAM CITY UNION FIREMORE LTD.,

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1.DEFINITIONS AND ABBREVIATIONS

Allotment Intimation	An advice informing the Allottees of the number of Letter(s) of Allotment/ NCDs allotted to him in Electronic (Dematerialized) Form
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the NCDs pursuant to the Issue
Application Form	The form in which an investor can apply for subscription to the NCDs
Articles (AOA)	Articles of Association of the Company
Board	Board of Directors of the Company or a Committee thereof
BSE	BSE Limited
CARE	Credit Analysis & Research Limited
Company / Issuer / We / Our	Shriram City Union Finance Limited having its CIN U65191TN1986PLC012840
Company/ Us	
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 and the Rules made thereunder
Coupon Payment Date	Date of payment of interest on the NCDs
Date of Allotment	The date on which Allotment for the Issue is made, which shall be deemed Date of Allotment
	Secured Non-Convertible Redeemable Bonds in the nature of NCDs of face value of `10,00,000 Lakhs
Debentures/	each aggregating to `500.00 crores to in one or more tranches to be issued by Shriram City Union
NCDs/Bonds/Securities	Finance Limited.
Debenture Holder	The investors who are allotted NCDs
Debenture Trustee ("DT")	Trustee for the NCD holders, in this case being M/s Catalyst Trusteeship Limited.
Depository/ies	NSDL/ CDSL
DP	Depository Participant
FEMA Regulations	The Regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI
FY	Financial Year
ISIN	International Securities Identification Number
	Issue of Secured Non-Convertible Redeemable Bonds in the nature of Debentures on a Private
Issue	Placement basis in one or more tranches/series
I.T. Act	The Income-tax Act, 1961 as amended from time to time
LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Memorandum / MOA	Memorandum of Association of the Company
NHB	National Housing Bank
NSE	National Stock Exchange of India Limited
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the
DAT	same meaning as ascribed to such term in the FEMA Regulations. Profit After Tax
PAT PBT	Profit Before Tax
RBI	Reserve Bank of India
ROC	Registrar of Companies, Chennai
RTA/Registrar	Registrar to the Issue
RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014



	issued vide circular No. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide circular No. LAD-NRO/GN/2014-15/25/539 dated March 24,2015, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide circular No. SEBI/ LAD-NRO/GN/2016-17/004 dated March 25,2016 (referred in this document "SEBI Regulations").
Security Documents	Any security document entered into from time to time for creation of any Security for the benefit of the NCD Holders
SHC	Housing Finance Company
Shelf Disclosure Document	Shelf Disclosure Document for Private Placement of Secured Non-Convertible Redeemable debentures of face value of `10,00,000 each for cash aggregating to `500 crores in one or more tranches to be issued by Shriram City Union Finance Limited.
SHFL	Shriram Housing Finance Limited

2.GENERAL DISCLAIMER

This document is only a "Shelf Disclosure Document" prepared in accordance with SEBI Regulations and Companies Act 2013. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the NCDs to be issued by the Company. The document is for the exclusive use to whom it is delivered and it should not be circulated or distributed to any third party/ (ies). The Issuer certifies that the disclosures made in this document are generally adequate and are in conformity with SEBI Regulations and Companies Act. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue. Apart from the Shelf Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the NCDs relating to this offer has been delivered for registration nor such a document required to be registered under the applicable laws.

This Shelf Disclosure Document is issued by the Company and has been prepared by the Company to provide general information on the Company to potential investors to whom it is addressed and who are eligible and willing to subscribe to the NCDs and does not purport to contain all the information a potential investor may require. Where this Shelf Disclosure Document refers to the provisions of any other document, that should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions. Neither this Shelf Disclosure Document, nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation. Any recipient of this Shelf Disclosure Document should not consider such receipt a recommendation to purchase the NCDs. Each investor contemplating to subscribe/ purchase any NCDs should make its own independent investigation of the financial condition and affairs of the Issuer, and make its own appraisal of the creditworthiness of the Issuer..

The applicants/recipients of the NCDs are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of information contained in this Shelf Disclosure Document. , valuation and judgment of the Issuer and the NCDs. It is the responsibility of potential investors to ensure that if they sell/transfer these NCDs, they shall do so in strict accordance with this Shelf Disclosure Document and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Companies Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of the NCDs and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the NCDs. The Company or any of its directors, employees, advisors, promoters, affiliates, subsidiaries or representatives do not accept any responsibility and/or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

No person has been authorized to give any information or to make any representation not contained in this Shelf Disclosure Document or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such persons. The contents of this Shelf Disclosure Document are intended to be used only by those investors to whom it is circulated. It is not intended for circulation to any other person and should not be reproduced by the recipient. The person to whom a copy of this Shelf Disclosure Document is circulated is alone entitled to apply for the NCDs. No invitation is being made to any persons other than those to whom application forms along with this Shelf Disclosure Document have been sent. Any application by a person to whom the Shelf Disclosure Document and/or the application form has not been sent by the company shall be rejected without assigning any reason. The person who is in receipt of this Shelf Disclosure Document shall maintain utmost confidentiality regarding the contents of this Shelf Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer.

DISCLAIMER OF RBI: The NCDs/Securities have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Shelf Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

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DISCLAIMER OF THE STOCK EXCHANGE: As required, a copy of this Shelf Disclosure Document has been submitted to the Stock Exchange for hosting the same on its website. It is to be distinctly understood that such submission of the document to Stock Exchange or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's NCDs/securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the company. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER STATEMENT FROM THE COMPANY: The Company accepts no responsibility for statements made other than in this shelf disclosure document or any other material expressly stated to be issued by or at the instance of the Company in connection with the issue of this series of NCDs and that anyone placing reliance on any other source of information would be doing so at their/its own risk

EACH PERSON RECEIVING THIS SHELF DISCLOSURE DOCUMENT ACKNOWLEDGES THAT: Such person has been afforded an opportunity to request and to review and has received all additional information considered by an individual to be necessary; and to verify the accuracy of or to supplement the information herein; and to understand the nature of the NCDs and the risks involved in investing in them including for any reason having to sell them or be made to redeem them before final redemption date; and such person has not relied on any intermediary or agent or advisory or underwriter that may be associated with issuance of the NCDs in connection with its investigation of the accuracy of such information or its investment decision. The Company does not undertake to update the Shelf Disclosure Document to reflect subsequent events after the date of the Shelf Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company. Neither the delivery of this Shelf Disclosure Document nor any sale of NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

This Shelf Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this Shelf Disclosure Document in any jurisdiction where such action is required. The distribution of this Shelf Disclosure Document and the offering and sale of the NCDs may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Shelf Disclosure Document is made available to investors in this series on the strict understanding that it is confidential. The Issuer confirms that all necessary disclosures have been made in the Shelf Disclosure Document/ including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Shelf Disclosure Document. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the NCDs/Bonds.

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II: RISK FACTORS

General Risk:

Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issue and the Shelf Disclosure Document, including the risks involved.

Operational Risk

The management of operational risk is carried out through a comprehensive system of internal controls, documented delegation of authority, separation of duties between key functions and detailed standard operating procedures. In all critical functions like treasury, etc., the front office and back office functions are segregated. The key operational processes are centralized at the Corporate Office that reduces the operational risk at the branch level.

Interest Rate Risk

Interest rate risk arises when there is a mismatch in the interest rate profile of assets and liabilities adversely impacting the net interest income Organization measures interest rate risks by the 'duration gap' method. The duration gap is a risk measure that tracks the gap between assets and liabilities sensitive to interest rate changes, to assess the impact of interest rate changes on the cost of funds to the Company. Considering the volatility of interest rates in the market, the Company strategy is to realize its borrowings between short term and long term debt as well as floating and fixed rate instruments. The management of risk lies at the heart of the organization.

Liquidity Risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations in a timely manner at reasonable prices. This risk could arise out of a mismatch in maturity profile of the assets and liabilities. Managing liquidity risk is essential for the Company to maintain the stakeholders' confidence.

Risk of Fraud

The Non-Banking Finance industry is long been targeted for financial fraud which causes financial and reputation loss to the organization. Technology innovation such as Central Registry promulgated by the government is of great help to the companies to identify potential frauds at the early stage of sourcing and processing of the business.

Human Resource

The Company has experienced promoters and a senior management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. The company believe that a combination of the Company's reputation in the market, the working environment and competitive compensation programs allow us to attract and retain talented people.

Increasing competition

The Company faces risk from existing players and new entrants in the business of NBFC. The Company can leverage on its strong brand name, wide distribution network and quality customer service so as to sustain its position in the market.

External Factors:

The NCDs may be illiquid

The Company intends to list the NCDs on the WDM segment of the BSE. The Company cannot provide any guarantee that the NCDs will be frequently traded on the Stock Exchange(s) and that there would be any market for the NCDs. It is not possible to predict if and to what extent a secondary market may develop in the NCDs or at what price the NCDs will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the NCDs may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the NCDs to realize value for the NCDs prior to settlement of the NCDs.

A slowdown in economic growth in India

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend

For SHRIRAM CITY UNION FINANCE LTD.,

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in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Material changes in regulations to which the Company is subject

A risk may arise if various concerned authorities amend the regulatory framework, which could impact the Company. The RBI requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting HFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance.

III: INFORMATION ABOUT THE ISSUER

1. ISSUER INFORMATION: The Company was incorporated as Shriram Hire Purchase Finance Private Ltd under Companies Act 1956 and was granted certificate of incorporation by the Registrar of Companies ("ROC"), Chennai, Tamil Nadu with effect from March 27,1986. The status of the Company was changed to public limited and this name of the Company was changed to Shriram Hire Purchase Finance Limited. The name of the Company was changed to Shriram City Union Finance Limited on date April 10, 1990 with a fresh certificate of incorporation issued by the ROC, Chennai, Tamil Nadu. The Company obtained Certificate of Registration No. 07.00458 dated April 17, 2007 from RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. The equity shares of the Company are listed on the BSE and NSE. For addresses of the Company and further details Page-1 may be referred to. The Company operates through 976 branches/business outlets all over India.

2.PROMOTER INFORMATION

(a) DETAILS OF PROMOTERS OF THE ISSUER: Our Promoter was originally incorporated as a private limited company under Companies Act 1956 as Shriram Chits and Investments Private Ltd and received certificate of Incorporation from ROC on April 5,1974. The Promoter converted it into a Public limited company with effect from January 1, 1996 by changing the name to Shriram Chits and Investments Limited and a fresh certificate of incorporation was issued by the ROC on November 18,1997. Subsequently, Our Promoter was re-converted to a Private Ltd Company with effect from June 7,2001, and the name of our Promoter was changed to Shriram Chits and Investments Private Limited and consequently an endorsement was made by reinstituting the word "Private" to the name of our Promoter by the ROC. Subsequently, the name of our Promoter was changed to Shriram Financial Services Holdings Private Ltd and a fresh certificate of Incorporation consequent to change of name was issued by ROC on December 21, 2004. Thereafter, our Promoter was further converted to a Public Limited Company and the name of our Promoter was changed to Shriram Financial Services Holdings Ltd and a fresh certificate of Incorporation consequent to the change of name was issued by the ROC on February 11,2008. Thereafter, the name of our Promoter was changed to its current name, and a fresh certificate of incorporation consequent to change of name was issued by the ROC on March 12, 2008. The CIN of our Promoter is U65993TN1974PLC006588 and Registered Office is at Shriram House, No.4, Burkit Road, T.Nagar, Chennai - 600 017.Our Promoter is registered with RBI as systematically important core Investment Company with registration number N-07-00791 dated

(b) DETAILS OF PROMOTER HOLDING IN THE COMPANY

Sr	Name of the	Total No of Equity	No of about	la	As on	June 30, 2017
No	Promoter	Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares		with respect to shares
1.	Shriram Capital Limited	2,22,68,877	2,22,68,877	33.77	0	owned.
	Total	2,22,68,877	2,22,68,877	33.77	0	0

(c) ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE PROMOTERS IN THE OFFER AND ITS

The Promoter of the Company has no financial and material interest in the Issue.

(d) CONTRIBUTION IF ANY, MADE BY THE PROMOTERS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS.

> For SHRIRAM CITY UNION FINANCE LTD., Vatarised Sig

3.BUSINESS CARRIED ON BY THE COMPANY AND ITS SUBSIDIARIES WITH THE DETAILS OF BRANCHES OR UNITS:

We are a deposit accepting and holding NBFC registered with RBI with multiple product lines, including loans to the small enterprise segment; loans against gold; financing for two wheelers, appliances and other commercial goods (referred to herein as "Product Finance"); pre-owned and new vehicle loans and personal loans. We are a part of the Shriram Group of companies ("Shriram Group"), which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products, such as life and general insurance products and mutual fund products. Shriram Group also has a growing presence in other businesses, such as property development, engineering projects and information technology. The large customer base and wide-spread network of Shriram Group, including businesses operating under the Shriram Chits brand name, Shriram Transport Finance Company Limited. Shriram Fortune Solutions Limited and Shriram Financial Products Solutions (Chennai) Private Limited, present us with a large pool of target customers who, we believe, trust the Shriram brand name. Historically, substantially our entire small and medium enterprises customer base has been referred to us by entities operating under the Shriram Chits brand name, which increases efficiency and improves the quality of our loan. In addition, we believe that the goodwill associated with the Shriram brand name allows us to access funding at a relatively competitive cost.

We operate a 'hub-and spoke' business model, where responsibilities from loan origination to recoveries of loans are vested in each of our business outlets under the general supervision and control of our head office in Chennai. We employ dedicated in-house teams who are locally drawn with in-depth knowledge of customers for pre-lending field investigation and post-lending procedures. Our network of business outlets is fully interconnected and each business outlet is connected to our head office through a proprietary enterprise resource planning ("ERP") platform.

We have demonstrated consistent growth in our business and profitability. Our total income increased to Rs.4431.62 crores for the FY 2017 from Rs 2056. 41 crores for the FY 2012, at a CAGR of 16.60%. Our net profit after tax increased to Rs.556.05 crores for the FY 2017 from Rs 342.53 Crores for the FY 2012, at a CAGR of 10.17%.

Our assets under management were Rs.23132 Crores as of March 31, 2017. Our capital adequacy ratio as of March 31, 2017 computed on the basis of applicable RBI requirements was 23.88%, compared to the RBI stipulated minimum requirement of 15.00%. Our Tier I capital as of March 31, 2017 was Rs.4932.28 crores. Our gross NPAs as a percentage of total loan assets were 6.73% on 120 days cut-off (6.16% under 150 days) as of March 31, 2017. Our net NPAs as a percentage of net loan assets were 1.56% as of March 31, 2016. Over years our Company has established a pan-India presence with 998 Branches/business outlets as at March 2017, across 17 states in India, with a significant presence in south India.

Our only Subsidiary is SHFL .SHFL is a Non Deposit-accepting HFC registered with the NHB offering Housing Loans and Loans against property. SHFL offers various products targeted at purchase, acquisition and repair of housing property, loans against property and additional finance which may be for the purpose of business. SHFL is a majorly owned subsidiary of the Issuer. SHFL obtained license in August 2011 from NHB and started operations in December 2011.SHFL, CIN- U65929TN2010PLC078004 has it's registered office at 123,Angappa Naicken Street,Chennai-600001 and corporate office at Level 3, East Wing, Wockhardt Towers, C-2, G Block, Bandra – Kurla Complex, Mumbai – 400 051 with 85 Branches in India.

IV: INFORMATION ABOUT THE MANAGEMENT

1. MANAGEMENT: The Board of Directors is the apex body constituted by the Shareholders of our Company. The day to day management of the affairs of our Company is entrusted with senior management headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision and control of the Board. The organisation structure of our Company is presented below.

FOR SHRIRAM CITY UNION FINANCE LTD.,

Authorised To Area

Authoris

BOARD OF DIRECTORS

MANAGING DIRECTOR &CHIEF EXECUTIVE OFFICER

Chief Operating Officer	

Chief Financial Officer

- 1. Credit
- 2. Market Analysis
- 3. Legal and Recovery
- 4. Product Management

- 1. Accounts and Audit
- 2. Secretarial and Compliance
- 3. Risk Management
- 4. Finance and Internal Audit
- 5. Investor Relations
- 6. Talent Engagement and Development
- 7. Information Technology and
- 8. Management Information Systems
- 9. Administration and Back Office

2. DETAILS OF OUR DIRECTORS

As on March 31, 2017

Sr No	Name	Designati on	DIN	Туре	Age	Address	Date of Appointme	Occupation		eration/S id for th	
[nt		ended	on Marc	
									(in Crs)	
									2017	2016	20
1	Sri Debendranath Sarangi	Director	0140 8349		63	7C, West Mada Street, Srinagar Colony Chennai 600 015	January 29,2015	IAS (Retd)	0.050	0.045	-
2	Sri Duruvasan Ramachandra	Managing Director	0022 3052		54	H No 1-66/1, Villa No. 5, CEO Enclave, Gachibowli, Hyderabad 500 032, Telangana State.	June 6, 2012	Service	0.578	0.598	0.4
3	Sri Gerrit Lodewyk Van Herrde	Director	0687 0337	NE,NI	49	2, Dahlia Avenue, Welgedacht 7530,South Africa	August 01,2014	Service		-	-
4	Sri Khushru Burjor Jijina	Additional Director	0020 9953		51	2303-D,Ashok Towers, Dr.Ambedkar Road, Parel, Mumbai -400 012	October 28,2015	Service		-	
5	Smt Maya S Sinha	Director	0305 6226		57	11,3 rd Floor, Vipul 28, BG Kher Road, Malbar Hill Mumbai – 400 006	May 28,2015	Service	0.039	0.029	-
6	Sri Pranab Prakash Pattanayak	Director	0050 6007	NE,I	67	Flat No A4/311, Gokulam Complex, India Heritage Foundation, Doddakallasandra, Kanakapura Road, Bangalore -560 062	October 31, 2012	Consultant	0.040	0.041	0.0
7	Sri Ranvir Dewan	Director	0125 4350	NE,NI	63	41, Ewe Boon Road, # 11-41, Crystal Tower, Singapore 259 33 SG	December 1,2010	Service		-	-
8	Sri Shashank Singh		0282 6978		40	7-A, 7th floor, Manek, L D Ruparel Marg, Malabar Hill, Mumbai -400 006	October 28,2015	Service		-	
9	Sri Subramaniam Krishnamurthy	Director	0014 0414	,	77	C/39, Ashalakshmi Apts	April 28, 2005	Consultant	0.039	0.046	0.0

For SHRIRAN' CITY UNION FINANCE LTD.,

Authorised Signatory

						59, Arundale Beach Road, Besant Nagar, Chennai 600 090				•	
10) Sri Venkataraman Murali	Director	0073 0218		56	49/202(22/202), 111 FL-4, DLF, Commander's Court CCC034, C Block, Ethiraj Salai , Egmore Chennai 600 008	December 1,2011	Chartered Accountant in practice	0.039	0.050	0.0
11	Sri Vipen Kapur	Director	0162 3192	,	ŀ	No A1-1201, World SPA, Sector-41, Gurgaon 122 002	November 1, 2012	Consultant	0.023	0.043	0.0.

Non Executive ("NE"), Independent ("I"), Non Independent ("NI")

Managing Director is paid salary. Independent Directors are paid sitting fees only for each meeting of the Board or Meeting of respective Committees, where they are members attended. None of our Directors appears in RBI defaulter list and/or ECGC defaulter list. None of the Directors is related to each other *interse*.

3.BRIEF PROFILE OF OUR DIRECTORS:

<u>Sri Debendranath Sarangi</u>: He holds M.A. (Political Science) from the University of Delhi and M.Sc (Economics) from the University of Swansea UK. Sri Sarangi is an IAS (1977 batch), Tamil Nadu Cadre. He has been on our Board since January 29, 2015 He has been on our Board since January 29, 2015. He is a Director in The Tamil Nadu Tea Plantation Corporation Ltd, Devinarayanan Housing and Property Developments Pvt Ltd, Voltas Ltd and Rohini Industrial Electricals Ltd

<u>Sri Duruvasan Ramachandra:</u> He is also on the Board of Directors of CES Ltd and Shriram Housing finance Ltd. He has been on our Board since June 6, 2012. He is a Director in CES Ltd.

Sri Gerrit Lodewyk Van Heerde: He holds a Bachelor's degree in Commerce from the North West University and an Honours degree in Actuarial Science from the University of Stellenbosch, South Africa, He is a fellow of the faculty of Actuaries in Scotland and a fellow of the Actuarial Society of South Africa. He has been on our Board since August 1, 2014. He is a Director in Shriram Transport Finance Company Ltd.

Sri Khushru Burjor Jijina: He is a Chartered Accountant by profession with an illustrious career spanning over two decades in the field of real estates, corporate finance and treasury management. He has been with the Piramal Group for more than 15 years and is the Managing Director of Piramal fund Management Private Ltd (PFM). He has been on our Board since October 28, 2015. He is a Director in Piramal Fund Management Pvt Ltd, Piramal Sunteck Realty Private Ltd, The Swastik Safe Deposit and Investments Ltd, Tarapur Infrastructure Private Ltd Gerah Enterprises Private Ltd Alpex Holdings Private Ltd Vulcan Investments Private Ltd Piramal Texturising Private Ltd, Nicholas Piramal Pharma Private Ltd, Propiedades Realties Private Ltd, India Venture Advisors Private Ltd, Piramal Finance Private Ltd, PHL Fininvest Private Ltd, Neelima Investment Private Ltd, Piramal Corporate Services Ltd, Piramal Assets Reconstruction Private Ltd, PEL Asset Resurgence Advisory Private Ltd, Shriram Housing Finance Ltd and Silver Pearl Realty Private Ltd.

Smt Maya S Sinha: She is a BA (Honors) in Economics and Mathematics from Lady Shri Ram College, Delhi University and obtained her Master's degree from the Delhi School of Economics, Delhi University with specialization in Econometrics, Monetary finance and Public Economics. She has been on our Board since May 28, 2015. She is a Director in Clear Maze Consulting Pvt Ltd, Shreyas Shipping and Logistics Ltd, Indian Clearing Corporation Ltd, Shriram Equipment Finance Company Ltd, CMC Skills Private Ltd and Punjab Biomas Power Ltd, G R Infraprojects Limited, Airasia (India) Limited.

<u>Sri Pranab Prakash Pattanayak:</u> He holds a Bachelor's degree and a master's degree in Arts from the Utkal University. He has previously held the posts of Deputy Managing Director and Chief Credit Officer at State Bank of India. He has been on our Board since October 31, 2012. He is a Director in IIFL Asset Management Ltd.

<u>Sri Ranvir Dewan:</u> He holds a Bachelor's degree in Commerce (Honours) from Delhi University. He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Chartered Accountants of Ontario. He has been on our Board since December 1, 2010.

Sri Shashank Singh: He is an MBA from Harvard Business School, an MA in Economics from Cambridge University and a BA (Honours) from St. Stephen's College (Delhi University). He has extensive expertise in the areas of Corporate finance and Strategy, with over 12 years of experience in Private Equity as the head of the India office of M/s Apax Partners LLP ('APAX'), the global Private Equity fund, and through his prior experience as a stategy consultant with Monitor Company. He has led or participated in a number of key deals at Apax including Zensar Technologies, Shriram City Union Finance Ltd, Cholamandalam Investment and

For SHRIRAM CITY UNION FINANCE LTD

Finance, Globallogic, IGATE, Apollo Hospitals, Weather Investments, TIM Hellas, TDC, Bezeq and Synetrix. He has been on our Board since October 28, 2015. He is a Director in Apax Partners India Advisers Pvt Ltd, Greathsip (India) Ltd, Impact Foundation (India) and Zensar Technologies Ltd.

Sri Subramaniam Krishnamurthy: He holds a Bachelor's degree in Arts from the University of Madras, a Commercial Education diploma in specialized banking from the Indian Merchants Chamber, a diploma in Industrial Relations and Personnel Management from the Bharatiyavidya Bhavan, a Bachelor's degree in General Law from the University of Mysore and a Master's degree in Labour Studies from the Madurai Kamaraj University. He is an Associate of the Indian Institute of Bankers. He has previously held the post of Banking Ombudsman, Chennai (approximately 15 months.) He has been on our Board since April 28, 2005. He is a Director in Kerala Ayurveda Ltd, Take Solutions Ltd and Shriram EPC Ltd.

Sri Venkataraman Murali: He holds a Bachelor's degree in Commerce from the Vivekananda College, Chennai. He is a fellow of the Institute of Chartered Accountants of India and an Associate of the Institute of Cost and Works Accountants in India. He has been on our Board since December 1, 2011. He is a Director in Witzenmann (India) Pvt Ltd, Andhra Chamber of Commerce, Hindustan Chamber of Commerce, Hindustan Insecticides Ltd, Shriram Housing Finance Ltd and Cosmopolitan Club.

Sri Vipen Kapur: He holds a Bachelor's degree in Commerce from the University of Madras. He is an Associate of the Institute of Bankers. He has previously been associated with Grindlays Bank and Bank of America, New Delhi. He has been on our Board since November 1,2012 He is a Director in Shriram General Insurance Company Ltd, Alternative Green Energy Solutions Private Ltd and ILD Millennium Private Ltd.

Our directors ,excluding independent directors may be regarded as interested in the equity shares ,if any ,held by the companies firms ,trusts ,in which they are interested as directors ,members ,partners ,trustees and they may be holding NCD of the Company

4.CHANGES IN OUR DIRECTORS DURING THE LAST THREE YEARS:

As on March 31, 2017

AS OIL MAICH ST, 201								
Date of "A" or "R"	Name	Position	DIN	"A"/ "R"	Director of the Company since			
August 1,2014	Sri Gerrit Lodewyk Van Heerde,	Director	06870337	A	August 1, 2014			
November 15,2014	Sri Arun Duggal, Chairman	Director	00024262	R	May 27, 2007			
January 29,2015	Sri Debendranath Sarangi	Director	01408349	A	January 29, 2015			
January 31, 2015	Smt Lakshmi Pranesh	Director	03333412	R	December 1, 2010			
April 28, 2015	Sri Sunil Varma	Director	01020611	R	August 17, 2007			
May 28, 2015	Smt Maya S Sinha	Director	03056226	A	May 28, 2015			
October 28,2015	Sri Khushru Burjor Jijina	Additional Director	02826978	A	October 28, 2015			
October 28, 2015	Sri Puneet Bhatia	Director	00143973	R	December 1, 2010			
October 28,2015	Sri Shashank Singh	Additional Director	02826978	Α	October 28, 2015			
July 28,2016	Sri G S Sundararajan	Director	00361030	R	December 31,2009			
February 3, 2017	Sri Ramakrishnan Subramanian	Additional Director	02192747	R	July 28,2016			

Sri G S Sundararajan retired by rotation at the Annual General Meeting held on July 28, 2016. Appointment ("A"), Resignation ("R")

5.ANY FINANCIAL OR OTHER MATERIAL INTEREST OF THE DIRECTORS AND KMP IN THE OFFER AND ITS EFFECT: None of our Directors or Key Managerial personal has any financial and material interest in the Issue.

6.CONTRIBUTION IF ANY, MADE BY THE DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF SUCH OBJECTS: The Director of our Company, directly or indirectly has not contributed any amount as part of the offer.

V: ISSUE RELATED INFORMATION

1.TERMS AND CONDITIONS OF THE NCDs

We are offering NCDs which shall have a fixed rate of interest. The NCDs will be issued at a face value of `10,00,000 per NCD. Interest on the NCDs shall be payable on an annual basis, as set out hereinafter. The terms of the NCDs offered pursuant to the Issue are as follows.

Issuer	Shriram City union Finance Ltd (SCUF/Issuer)
Security Name, Type and Nature of Instrument	Secured, Redeemable Non Convertible Debentures (NCDs)
Issue Price and Face Value	Rs 10,00,000
Amount	Rs 500.00 crores
Premium if any and Jurisdiction of the price at	
which securities are offered	Not Applicable
Seniority (Senior or Subordinated)	Not Applicable
Option to retain oversubscription (Amount)	Not Applicable
Mode of Issue	Private placement
Eligible Investors	Scheduled Commercial Banks;
	• Financial Institutions;
	insurance Companies;
	 Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
	• Regional Rural Banks;
	• Mutual Funds;
	Companies, Bodies Corporate authorized to invest in Debentures;
	Provident Funds, Gratuity, Superannuation & Pension Funds
	subject to their Investment guidelines;
	• Trusts; or
	• Any other investor category eligible to invest subject to curre
isting	applicable fulles, act, laws etc.
5	 The Company shall forward the listing application to the BSE Limite within 15 days from the deemed date of allotment(s)
	The NCDs will be listed within 15 days of deemed date of allotmer on WDM segment of BSE Limited.
	• In case of delay in licting of the NOD.
	• In case of delay in listing of the NCDs beyond 15 days from the deemed date of allotment, the Company will pay interest of 1% p.a. over the course are from the cour
	the coupon rate from the expiry of 15 days from the deemed date of
	allotment till the date of listing
ating of the Instrument	"CARE AA+ Stable" by Care Ratings & Research Limited
	If the long term rating of the NCDs is downgraded (by any rating agency) a
	I any point of time during the currency of the NCDs, debenture to the
	deserve the right to revise the Coupon rate by 25 bps for every notch of downgrade effective from the deserve the downgrade effective from the deserve
ating Covenants	downgrade effective from the date of downgrade.
	if rating falls below Single A- (by any rating agency), the debenture holder
	shall reserve the right to recall its outstanding principal amount along with
	all other monies/ accrued interest due in respect thereof.
oupon Rate (%) p.a	
<u></u>	As per Term sheet

For SHRIRAM CITY UMON FINANCE LTD.

Coupon Payment Frequency Coupon Payment Date	As per Term sheet
	As per Term sheet
Coupon Type (fixed, floating or others)	
Coupon Reset Process (Including rates, spre effective date, interest rate cap and floor etc)	Not Applicable
Step Up/Step Down Coupon Rate	NI AA III
Day Count Convention	Not Applicable
Default Interest Rate	Actual
Tenor (years)	
Redemption Date	As per Term sheet
Redemption Amount	As per Term sheet
Redemption Premium/Discount	As per Term sheet
Minimum Application and in multiples of Delectorities thereafter	As per Term sheet I Debentures of ` 10,00,000 each and multiple of I thereafter
Out Option Date	
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
ut Notification Time	Not Applicable
all Notification Time	Not Applicable
ssue Opening Date	Not Applicable
sue Closing Date	As per Term Sheet
ay-in date	As per Term Sheet
eemed date of allotment	As per Term Sheet
ield on Maturity	As per Term Sheet
suance mode of the Instrument	As per Term Sheet
ading mode of the Instrument	Demat only
	Demat only
epository	Payment of interest and principal will be made by way of Cheque/s DD/Electronic mode.
pository	NSDL/CDSL
f grant convention	f any interest payment date falls on a day which is not a Business Day 'Business Day' being a day on which Commercial Banks in Chennai are open or) then payment of interest will be made on the next working day. If the naturity date of the debt securities, falls on which is not a business day or a soliday, the redemption proceeds shall be resident to the soliday.
1	5 days prior to each Coupon Payment / Redemption date
nsaction Documents A	all documents customary to the nature of this deal
luttions Precedent to Disbursement	
iditions subsequent to Disburgement	
visions related to Cross Default Clause	·

2.VALIDITY OF THE OFFER DOCUMENT: The Shelf Disclosure Document shall be valid for a period of 180 days from the date of filing with the Stock Exchange.

3.CREATION OF DEBENTURE REDEMPTION RESERVE ("DRR"). As per provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules 2014, creation of DRR for NCDs issued on private placement basis is not required for the NBFC registered with RBI. Since it is an issue of NCDs on Private Placement basis by an NBFCs registered with RBI, creation of DRR is not required. Any modifications or amendments in the regulations made by the Central Government or any other statutory authority in respect of creation of DRR, the Company shall abide by such modifications or amendments.

4.REGULATIONS GOVERNING THE ISSUE AND RELEVANT DETAILS REQURED UNDER COMPANIES ACT 2013, RBI REGULATIONS, SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AND APPLICABLE REGULATIONS IF ANY:

FOR SHRIRAM CITY UNION FINANCE LTD

(a) ELIGIBILITY OF THE COMPANY FOR THE ISSUE: The Company satisfies the conditions prescribed under Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules 2014, Companies (Prospectus and Allotment of Securities) Rules 2014, SEBI (Issue and Listing of debt securities) Regulations, 2008 for issue of NCDs on Private Placement Basis.

The issue of NCDs comprised in the Issue and described under this Shelf Disclosure Document has been authorised by the Issuer through the Memorandum and Articles of Association of the Company, resolutions passed by Shareholders on July 28, 2016 and by resolution passed by Board of Directors of the Company at its meeting held on July 28, 2016. The Board of Directors has authorised the Banking and Securities Management Committee ("Committee") to offer, issue and allot the NCDs on private placement basis. The Committee approved the private placement of NCDs of Rs 500.00 crores under Series VII in Tranch 7 at its meeting held on June 21, 2017. The present issue of 5000 NCDs in terms of this Shelf Disclosure Document is within the overall powers of the Board as per the above resolution passed by the shareholders of the Issuer. The shareholders by the above resolution have authorised the Board of Directors or the Committee of the Board of Directors to borrow not exceeding the aggregate of Rs. 30,000 crores (Rupees thirty thousand crores only) at the Annual General Meeting of the Company held on June 30, 2017.

(b) OBJECT OF THE ISSUE AND UTILIZATION OF THE ISSUE PROCEEDS: The Company proposes to raise `500.00 crores through the issue of NCDs by way of private placement as per the terms and conditions. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the existing activities and the activities for which the funds are being raised through the present Issue. The Capital Adequacy Ratio of the Company as on March 31, 2017 was 23.88 %. The object of the issue is to augment resources of the Company.

The proceeds from the Issue shall not be utilized by the Company in contravention of any regulation issued by RBI, Central Government and SEBI in this regard. Subject to applicable law, the management of the Company, according to the policies formulated by it from time to time, will have flexibility in deploying the proceeds, after meeting expenses of the Issue, including interim usage in temporarily investing in mutual funds, deposits with banks/institutions/balances in current accounts.

(c) PROJECT COST AND MEANS OF FINANCING IN CASE OF NEW PROJECTS: The amount to be raised by issue of NCDs on private placement basis shall not utilized for meeting the cost of any projects or financing any new projects of the Company.

(d) DEEMED DATE OF ALLOTMENT: Interest on NCDs shall accrue to the NCD holder(s) from and including the deemed date of allotment that will be notified in the term sheet. All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the NCDs in tranches / series which shall form the part of this Issue. In case the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Company at its sole and absolute discretion.

(e) MARKET LOT: The market lot shall be one NCDs of face value of `10,00,000 each ("Market Lot"). Since the NCDs are being issued only in dematerialised form, the odd lots will not arise either at the time of issue/allotment or at the time of transfer of NCDs.

(f) TRADING: The trading in NCDs would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one NCDs of face value of `10,00,000. All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

(g) INTEREST ON APPLICATION MONEY: Interest on the NCD as notified in the term sheet (subject to deduction of applicable income tax at source under the provisions of the Income Tax Act, 1961, or any other statutory modification or reenactments thereof, as applicable) will be paid to all the applicants on the application money. Such interest shall be paid from the date of credit of amount to Company's Bank Account up to one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an actual basis. Such interest would be paid on all the valid applications only

Where the entire or part subscription amount has been refunded, the interest on application money of respective NCDs will be paid

along with the refund orders. Where an applicant is allotted lesser number of NCDs than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

The cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders, in case of refund of application money, if any) shall be credited to the Bank Account No mentioned in the NCD application form or shall be dispatched by the Company within 15 days from the Deemed Date of Allotment by registered post/speed post/courier to the sole/ first applicant, at the sole risk of the applicant.

(h) TRANSFER OF NCDs: NCDs shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the Depository, NSDL, CDSL and any other applicable laws/rules notified in respect thereof from time to time. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these NCDs. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of NCDs to and from NRIs, in case they seek to hold the NCDs and are eligible to do so, will be governed by the prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. Redemption/interest amount will be paid to the person, whose name appears in the records of the Depository as NCD holder on the Record date. In such cases, claims, if any, by the transferee(s) would be settled with the transferor(s) and not with the Issuer. The Issuer shall use a common form of transfer of NCDs.

(i) STATUS OF NCDs: The NCDs shall rank pari passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the NCDs shall also, as regards the principal amount of the NCDs, interest and all other monies secured in respect of the NCDs, rank pari passu with all other present and future holders of NCDs issued by the Company in the same category.

(i) TAX DEDUCTION AT SOURCE: Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source from Interest/Redemption amount. Tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the Corporate office of the Company or at such other place as may be notified by the Issuer in writing, at least 30 calendar days before the interest payment dates.

(k) RE-PURCHASE AND RE-ISSUE: The Company will have power, exercisable at its sole and absolute discretion from time to time to repurchase a part or its entire NCDs from the secondary markets or otherwise at any time prior to the date of maturity as per the prevailing guidelines, rules/regulations of RBI and other Authorities. In the event of a part or all of its NCDs being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, the power to reissue the NCDs either by reissuing the same NCDs or by issuing other NCDs in their place. Further the Company, in respect of such repurchased/redeemed NCDs shall have the power exercisable either for a part or all of those NCDs, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

(I) SECURITY: The NCDs shall be secured by exclusive charge on the standard asset portfolio of receivables of the Company and by a subservient charge over an immovable property of the Company. The value of receivables is determined based on the net exposure outstanding with a minimum asset cover ratio of 1.10 times at all times. The Company shall at all times in consultation with DT maintain a minimum security cover of 1 time of the value of the outstanding amount (principal, interest, other charges etc.) NCDs issued by the Company under this Shelf Disclosure Document.

Subject to compliance with the Companies Act 2013, the Company has executed the Debenture Trust Deed in favor of the DT which shall secure the present issue of NCDs. The Issuer can raise additional NCDs/loans/capital at any point of time subject to maintenance of minimum security cover of times. As required under the provisions of SEBI Regulations, In case of delay in execution of Trust Deed and charge documents, the Company will refund the subscription with agreed rate of interest or will pay interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor. Non Maintenance of minimum security cover as mentioned above will attract 1 % p.a. additional interest over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover.

(m) UNDERWRITING: The Issue is on private placement basis. Hence it shall not be underwritten.

(n) FREQUENCY, PRINCIPAL AND INTEREST PAYMENT: The NCDs shall carry interest at the rate as notified in the term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act,

1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Issuer) payable to the holders of NCDs whose names appear in the list of beneficiaries maintained by the Depositories as on the Record date/Book Closure date fixed by the Company in accordance with this Shelf Disclosure Document and LODR. Such list shall be considered for payment of interest or repayment of principal amount, as the case may be.

The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days. The first interest payment period is defined as the actual number of days falling between the Deemed Date of Allotment to one day prior to the next interest payment date.

The second and subsequent interest period (except the last interest period) is defined as the actual number of days in a year between the last interest payment date till one day prior to next interest payment date. The last interest period is defined as the actual number of days falling till one day prior to the redemption date. The last interest payment would be made on the redemption date as notified in the term sheet along with the redemption of principal amount.

If any interest payment date falls on a day which is not a Business Day then payment of interest will be made on the next Business day. The interest payable shall not be adjusted due to payment being made on the next working day. In case the principal redemption date falls on a day which is not a Business Day then the payment due shall be made on the previous Business Day.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised pre-poned/ postponed) accordingly by the Company at its sole & absolute discretion.

The NCDs will not carry any obligation, for interest or otherwise, after the date of redemption as specified in the Term Sheet. The NCDs held in the dematerialized form shall be taken as discharged immediately. Such payment shall be a legal discharge of all the liability of the Company towards the NCD holders. After making such payment, the Company will inform extinguishment and deactivate International Securities Identification Number of such NCDs.

(0) NAME AND ADDRESS OF THE VALUER WHO PERFORMED VALUATION OF THE SECURITY OFFERED: Since the minimum and maximum Issue size of NCDs is considered and determined based on the provisions contained in the Companies Act 2013 and RBI Regulations, the NCDs shall not be required to be valued by any registered valuer.

(p) DEBENTURE TRUSTEE: The Company has appointed a SEBI approved Trust Management Company as the agent and trustees for and on behalf of the NCD holders. The name ,address and contact details of the DT are as under:

Catalyst Trusteeship Limited (formerly GDA Trustee Limited)

GDA House, 94/95, Plot No.85, Bhusari Colony, (Right) Kothrod, Pune - 411038, Email id: dt@ctitrustee.com DT has given its consent to the Company under SEBI Regulations to be appointed as the DT to this Issue. The Consent Letter of DT is attached as Annexure-II to this Shelf Disclosure Document.

The Company has entered into a Trustee Agreement/Trust Deed, inter-alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the NCDs.

(q) RATING RATIONALE AND CREDIT RATING LETTER ADOPTED BY RATING AGENCIES: CARE has rated the NCDs as "CARE AA+; Stable" (pronounced CARE Double A Plus; Outlook Stable). Instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. Rating rationale for the said issue of NCDs has been issued by CARE. The rating letter is enclosed as Annexure II of this Shelf Disclosure Document.

(r) ANY MATERIAL DEVELOPMENT AT THE TIME OF ISSUE: There are no material developments or changes affecting the Company during the time of Issue.

(s) **DETAILS OF IN PRINCIPLE APPROVAL:** Before issue of NCDs, the Company shall apply for and obtain In principle approval from the Recognized Stock Exchange where the NCDs are proposed to be listed.

(t) FUTURE BORROWINGS: The Company shall be entitled to make further issue(s) of NCDs, raise further loans of advances and/or avail further deferred payment guarantees or other financial facilities from time to time from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate, subject to the issuer maintaining the adequate security cover as agreed. However, until the NCDs are fully redeemed, the Company shall not create any further charge on the properties/receivables under this Issue without the prior written approval of the DT.

(u) SUCCESSION: In the event of demise of the sole/first holder of the NCDs or the last survivor, in case of joint holders for the time being, the Company will recognize the executor or administrator of the deceased NCD holder, or the holder of succession certificate or other legal representative as having title to the NCDs. The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, letter of administration wherever it is necessary, or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the NCDs standing in the name of the deceased NCD holder on production of sufficient documentary proof or indemnity.

- 1) Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied.
- 2) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs was acquired by the NRI as part of the legacy left by the deceased holder. Proof that the NRI is an Indian National or is of Indian origin. Such holding by the NRI will be governed by the prevailing guidelines of RBI.

(v) DISCLOSURE CLAUSE: In the event of default in the repayment of the principal and/or interest thereon on the due dates, the DT and/or the RBI /SEBI/any other statutory authorities will have an unqualified right to disclose or publish the name of the issuer and its directors as defaulter in such manner and through such medium as the DT and/or the RBI and/or SEBI/ any other statutory authorities in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said NCDs shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement.

(w) EVENTS OF DEFAULT:

(i)Each of the following events shall be considered as an Event of Default:

Default made in payment of any interest or principal or any other charges in terms of the Transaction Documents in respect of the NCDs from due date. except, where any payment of any interest or principal in respect of the NCDs or any of them on due date, any amount payable and due pursuant to any of the Transaction Documents is made by the Issuer on or before the due date but has not been received by the NCD holder(s)/ Trustee due to any technical reason of the banking system. The same shall be remedied by the Issuer within 7 days of the due date of payment. If it is not remedied within the said period of 7 days, it shall be treated as an Event of Default.

- (ii) In case of willful default in payment of Interest and/or principal redemption on the due dates with an additional interest @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
- (iii) Cross default with any other financial indebtedness of the Issuer;
- (iv) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the DT) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;
- (v) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 45 days;
- (vi) An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the

purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;

- (vii) An encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 60 days;
- (viii) The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;
- (ix) It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCDs or the Debenture Trust Deed;
- (x) Any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Trustee) a material part of the assets of the Issuer which is material to the Issuer;
- (xi)Any event occurs which under the laws of any relevant jurisdiction an analogous effect to any of the events has referred to in any of the foregoing paragraphs. Any Material Adverse Effect.
- (xii) Default committed in the performance or observance of any covenant, condition or provision contained in these presents and/or the financial Covenants and Conditions (other than the obligation to pay principal and interest or any other charges under the Transaction Documents) and, except where the Trustees certify that such default is in their opinion incapable of remedy (in which case no notice shall be required), such default continues for 30 days after written notice has been given thereof by the DT to the Issuer requiring the same to be remedied.
- (xiii) Any information given by the company in its applications to the NCD holders, in the reports and other information furnished by the Issuer and the warranties given/deemed to have been given by it to the NCD holders/trustees is misleading or incorrect in any material respect.
- (xiv) The Company is unable to or has admitted in writing its inability to pay its debt as they mature.
- (xv) A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is not dismissed within 60 days of appointment.
- (xvi) The Company ceases to carry on its business.

(x)CONSEQUENCES OF EVENTS OF DEFAULT: Upon the happening of any Event of Default all outstanding amounts on the NCDs shall stand accelerated and the DT will, at the request of the investor, give notice (unless instructed otherwise by the Investors in writing) to the Issuer to pay the outstanding amounts within seven Business Days of the happening of any Event of Default. If the Issuer fails to make such payments, the DT shall be entitled to enforce the security (in accordance with the terms of the Transaction Documents). In case of non-receipt of monies, from the Issuer, which is adequate to make payment of the outstanding amount, the DT will enforce the Security (unless instructed otherwise by the Investors in writing) and the proceeds from the enforcement of such Security will be appropriated by the DT towards the payment of outstanding amount to the Investors, in terms of the Transaction Documents and the balance if any shall be returned to the Issuer.

(v)DEBENTURE HOLDER NOT A SHAREHOLDER: The NCD holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the NCDs is placed before the members of the Issuer, such resolution will first be placed before the NCD holders for their consideration.

(z) MODIFICATION OF RIGHTS: The rights, privileges, terms and conditions attached to the NCDs may be varied, modified or abrogated with the consent, in writing, of those holders of the NCDs who hold at least three fourth of the outstanding amount of the NCDs or with the sanction accorded pursuant to a resolution passed at a meeting of the NCD holders, provided that nothing in such consent or resolution shall be operative against the Issuer where such consent or resolution modifies or varies the terms and conditions of the NCDs, if the same are not acceptable to the Issuer.

(aa) DISPUTES AND GOVERNING LAW: The NCDs shall be construed to be governed in accordance with regulations applicable to the offer, issue and allotment of NCDs on private placement basis. The applicable regulation alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

VI:ISSUE PROCEDURE

Authorised Signatory

1. WHO CAN APPLY: This being a Private Placement Offer, Investors who have been addressed through this communication directly only are eligible to apply for NCDs. No other person can apply.

2. HOW TO APPLY: All Application Forms for the NCDs duly completed in all respect with KYC documents, cheque/ demand draft/ electronic transfer details favoring the Issuer payable at Par at Chennai only for the amount payable on such application must be delivered before closure of the Issue to the Issuer at its Corporate Office only. Applications for NCDs must be in the prescribed form (enclosed) and filled in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein.

The payments through electronic mode (RTGS/ECS/cheques/Bank Drafts) can be made to the Issuer's Bank Account as under.

	Shriram City Union Finance Limited
Account No	913020045382436
Name of the Bank	Axis Bank Limited
IFSC Code	UTIB0000006
MICR	600211002
Address of the Bank Branch	82, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004
	, way reports, chemial - 000 004

No separate receipt will be issued for receipt of the amount other than acknowledgement for receipt of the application, by stamping and returning to the applicant the Acknowledgment Slip at the bottom of the each Application Form.

3. MINIMUM SUBSCRIPTION: One NCD of ` 10 lakh each and in multiple of one NCD thereafter. The entire subscription amount is required to be paid along with the application. As required under the guidelines on Private Placement of NCDs by NBFCs issued by RBI, Minimum Subscription of NCDs per investor shall be `20,000 (Rupees twenty thousand only) and Subscription of NCDs on private placement basis is categorized into parts namely (1) Maximum Subscription of less than `1 Crore (One crore only) is limited upto 200 subscribers for each financial year (2) No limit on the maximum number of subscribers with minimum subscription of `1 crore and above

4.DOCUMENTS TO ACCOMPANY THE APPLICATION FOR NCDs: Investors should submit the following documents, wherever applicable along with the application for NCDs: (a) Memorandum and Articles of Association/Documents governing constitution (b) Government notification/certificate of incorporation (c) SEBI registration certificate (d) Resolution of the governing body of the applicant authorizing investment along with operating instructions (e) Power of Attorney of the person signing the application from and other documents (f) Certified true copy of PAN card (g) Registered / communication address (i) Form 15AA granting exemption from TDS on interest (j) Form 15H for claiming exemption from TDS on interest on application money, if any (k) Order u/s 197 of IT Act (l). Order u/s 10 of IT Act (m). Specimen signatures of authorised persons.

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Issuer. The Issuer may, but is not bound to revert to any investor for any additional documents /information and can accept or reject an application as it deems fit,

5. RIGHT TO ACCEPT OR REJECT APPLICATIONS: The Company reserves it's full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund of the amount received together with interest on application money, if applicable, from the date of realization of the cheque(s)/ demand drafts(s) till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to: (a) Number of NCDs applied for is less than the minimum application size (b) Applications exceeding the issue size (c) Details for issue of NCDs in electronic/ dematerialized form not given (d) PAN and necessary details required for crediting the NCDs to the investor's demat account not mentioned in appropriate place. (e) In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents

In the event, if any NCD applied for is/ are not allotted in full, the excess application money of such NCDs will be refunded, as may

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<u>6. LETTER/S OF ALLOTMENT/REFUND ORDER(S) AND INTEREST IN CASE OF DELAY IN DISPATCH:</u> As required under section 42 (6) of the Companies Act 2013 and Rule 11 of the Companies (Prospectus and Allotment of Securities) Rules 2014, the Company shall allot its NCDS within sixty days from the date of receipt of the application money for such NCDs.

The beneficiary account of the investor(s) with NSDL/CDSL shall be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a NCD Certificate. The Issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 2013, if the allotment letters/refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the Issue.

7. NOTICES: The notices to the NCD holder required to be given by the Company or the DT shall be deemed to have been given if sent by registered post/speed post/courier/e-mail to the sole/first allottee or sole/first registered holder of the NCDs, as the case may be. All notices to be given by the NCD holder(s) shall be sent by registered post or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/NCD (s), requests for issue of duplicate certificate for NCDs, interest warrants etc. and/or any other notices / correspondence by the NCD holder(s) to the Company with regard to the issue should be sent by Registered Post or speed post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

- 8. FEW IMPORTANT POINTS: (a) It is mandatory for all the applicants to have their NCDs allotted in dematerialized form. The Applicant should note that on the basis of the name of the Applicant, DP(DP) name, DP identification number and beneficiary account number provided in the Application Form by the applicant, the NCDs shall be credited to the Demat account of the allottee. The investors are advised to ensure that bank account details are updated in their respective Demat Accounts. Furnishing of incorrect details could delay credit of NCDs to the demat account of the applicant at the sole risk of the applicant.
- (b) Failure to do so could result in delays in credit of refunds, payment of interest, payment of maturity value to the applicant at their sole risk Applicants and neither the Issuer nor the RTA shall have any responsibility and undertake any liability neither
- (c) These Demographic Details of the Demat account would be used for all correspondence with the applicants including mailing of the refund orders/ Allotment Advice and printing of bank particulars on the refund order and the Demographic Details given by applicant in the Application Form would not be used for any other purposes by the Registrar. Hence, Applicants are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Application Form, Applicant would have deemed to have authorized the Depositories to provide, upon request, to the RTA, the required Demographic Details as available on its records.
- (d) A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the Completed Application Form by the Company, Corporate Body, registered society, mutual fund, trust, any other organization if application is made by Power of Attorneys. Further, modifications/additions in the power of attorney or authority should be notified to the Issuer at its registered office.
- (e) The applicant or in the case of applications made in joint names, each of the applicant, should mention his or her PAN allotted under the Income Tax Act 1961. In accordance with the SEBI Guidelines, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction.

9.TERMS AND INSTRUCTIONS FOR PAYMENT: The entire sum payable as per terms of the NCDs is payable on application only. In case of allotment of lesser number of NCDs than the number applied, the Issuer shall refund the excess amount paid on application to the applicant and payment instruction is enclosed along with application form.

<u>10.SIGNATURES</u>: Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a bank or by a magistrate/notary public under his/her official seal.

For SHRIRAM CITY UNION FINANCE LTD.,

Authorised Signatory

VII: FINANCIAL INFORMATION:

1.Stand Alone Balance Sheet

`in lacs

S.	Particulars		in lacs				
No.	raruculars	For the Quarter ended (Unaudited)	As on the FY ended March, 31(Audited)				
		June 30, 2017	2017	2016	2015		
<u> </u>	Equity and Liabilities			· · · · · · · · · · · · · · · · · · ·	-		
1.	Shareholder's Funds						
A	Share Capital	6594.51	6,594.34	6,592.72	6,590.56		
В	Reserves and Surplus	507696.18	496,246.51	4,44,569.04	4,03,523.56		
2	Share application money pending allotment		0.09		1,10,020,000		
3.	Non-Current Liabilities						
À	Long term borrowings	1044895.45	981,425.92	9,26,754.33	7,73,287.63		
В	Other long term liabilities	36376.29	35,046.56	49,908.67	35,275.20		
C	Long Term Provisions	122929.99	115,891.97	17,508.50	8,710.45		
4.	Current Liabilities			17,500.00	0,710.45		
A	Short term borrowings	354630.10	381,301.95	1,00,027.58	1,17,745.08		
В	Other Current Liabilities	437828.37	431,188.38	4,72,792.29	4,14,202.11		
С	Short term provisions	13241.87	5,950.44	67,289.24	44,467.11		
	Total	2524192.76	2,453,646.16	20,85,442.37	18,03,801.70		
11	Assets				<u> </u>		
1	Non-Current Assets						
Α	Fixed assets						
В	Tangible Assets	6860.89	6,974.96	7,044.05	7,545.83		
C	Intangible Assets	763.15	841.14	1,441.11	679.84		
D	Non Current Investments	48535.69	48,535.69	45,685.33	25,379.46		
E	Deferred tax assets (net)	4971.82	4,422.47	3,720.83	3,095.02		
F	Long term loans and advances	1048884.63	992,796.27	6,22,714.45	5,34,415.81		
G	Other Non-Current assets	2223.72	1,532.39	3,520.69	13,722.74		
2	Current Assets		- 7	0,020.07	13,122.17		
A	Current Investments	23544.15	22,915.89	33,548.53	72,788.69		
В	Cash and bank balances	48412.18	63,713.44	64,190.54	78,143.21		
С	Short term loans and advances	1337057.94	1,303,341.46	12,91,345.74	10,54,612.94		
	Other Current Assets	2938.59	8,572.45	12,231.10	13,418.16		
D	Office Current Assets						

FOR SHRIRAM CITY UILLON FINANCE LTD.,

Authorised Spage

2. Standalone Statement of Profit and Loss

S. No	Particulars	For the Quarter ended	As on FY ended March, 31(Audited)			
		June 30, 2017 (Unaudited)	2017	2016	2015	
1.	Income	(chaddied)				
	Revenue from operations	121750.27	142 162 42			
	Other Income	171.30	443,162.42	3,83,486.50	3,48,223.97	
	Total Income	121921.57	290.57	2,115.63	4,939.25	
2.]	Expenses	121,21.37	443,452.99	3,85,602.13	3,53,163.22	
₋╗	Employee benefit expense	15811.54				
	Finance costs	40185.89	55,028.92	51,323.19	41,156.22	
\neg	Depreciation and	781.02	153,441.60	1,38,344.88	1,32,729.70	
	amortization expense	/01.02	3,462.17	3,691.62	4,265.54	
\Box	Other expenses	15380.16	55 102 44			
	Provision and write offs	19981.62	55,103.44	49,923.86	45,522.67	
_]	Total Expenses	92140.23	91,052.60	61,634.33	45,380.39	
	Profit before tax	72710.25	358,088.73	3,04,917.88	2,69,054.52	
	Tax expense	-	85,364.26	80,684.25	84,108.70	
	Current tax	10944.44		28,332.03	29,593.66	
	Deferred tax	(549.35)	30,459.91	(625.81)	(1,291.35)	
7	Total tax expense	10395.09	(701.64)	<u> </u>	-	
1	Profit after tax from	19386.25	29,758.27	27,706.22	28,302.31	
	continuing operations	17300.23	55605.99	52,978.03	55,806.39	
↓ I	Earning per equity share					
E	Equity shares of par value of `10/- each					
_			ļ			
+-	Basic (')	29.40	84.34	80.37	86.18	
E	Piluted (`)	29.37	84.24	80.27	86.03	

3. Stand Alone Cash Flow Statement

`in lacs

For SHRIRAM CITY UNION FINANCE LTD.

S.	Particulars	As	As on FY ended March, 31(Audited)					
No		2017	2016	2015	2014			
<u>. </u>			<u> </u>					
A	Cash flows from Operating Activities							
	Profit before Taxes	85,364.26	80,684.25	84,108.70	77,986.36			
	Adjustments for:							
	Depreciation and amortization	3,462.17	3,691.62	4,265.54	2,955.25			
	(Profit)/Loss on sale of fixed assets (Net)	7.64	(4.06)	(13.94)	27.90			
	Public issue expenditure for Non-Convertible Debentures	366.48	- "	-	-			
	Provision for Non Performing assets and bad debts written off	89,007.09	734.59	977.45	575.41			
	Contingent provision on Standard Assets	2045.51	59,989.85	44,652.87	38,603.19			
	Provision for diminution in the value of Investments		1,599.36	716.29	(189.53)			
	Provision no longer required		1,557.50	710.27	(486.75)			
	Gain on sale of Investments		45.12	11.23	5.71			
	Loss on sale of Investments	·	(1,553.08)	(67.26)	(470.18)			
	Interest income on current and long term investments and interest income on fixed deposits		(1,505.00)	(07.20)	(1,640.41)			
	Dividend Income	(128.43)	-	(284.45)	(5.00)			
	Operating profit before Working Capital Changes	180,124.72	1,44,770.12	1,30,367.87	1,13,465.03			
	Movements in Working Capital			1				
	Increase/decrease in assets under financing activities	(426,961.88)	(3,57,900.23)	(3,34,191.43	40,321.09			
	Increase/decrease in Short term Loans and Advances	(567.13)	1,082.51	(591.14)	(4,802.85)			
	Increase/decrease in Long term loans and advances	836.15	224.24	2,024.34	676.77			
[i	increase/decrease in other current assets	3,593.14	859.77	4,421.83	5,561.33			
_ [i	increase/decrease in other non-current assets	1,687.33	1,994.76	3,762.18	5,829.72			
]	increase/decrease in investments	13,829.26	46,426.96	7,752.10	3,023.72			
1	ncrease / (decrease) in other current liabilities	(41,613.66)	60,130.69	70,090.81	(11,083.61)			
	ncrease / (decrease) in other non-current liabilities	(16,273.04)	15,138.53	(842.72)	(2,819.37)			
	Cash generated from operations	(285,345.11)	(87,272.65)	(57,526.82)	1,47,148.11			
	Direct taxes paid (net of refunds)	(30,459.91)	(28,332.03)	(31,975.97)	(26,164.12)			
1	Net Cash from/(used in) operating Activities (A)	(315,805.02)	(1,15,604.68)	(89,502.79)	1,20,983.99			
	Cash Flows from Investing Activities		(=,==,,==)	(03,002113)	1,20,500.55			
Ī	nvestment in fixed deposits (having maturity of nore than three months)				(89,762.50)			
-	nvestment in Margin money deposit			 	7 (70 5)			
	Purchase of fixed including intangible assets	(2827.07)	(3,979.72)	(2.911.45)	7,670.56			
	Capital advance for assets	(10.88)	1,400.92	(2,811.45)	(3,382.39)			
	roceeds from sale of fixed assets	26.32	32.68	110.28	23,47			
	urchase of investments	(4643.10)	(20,305.85)					
	roceeds from sale of investments	1,326.53	18,600.00	(20,131.56)	(45,910.00)			
	rofit on sale of investments	1,520.55	417.53	218.67	4,115.77			
	oss on sale of investments		417.33	3,937.94				
_	nterest received on current and long term	-		(76.05)	1.640.41			
	envestments and interest on fixed deposits		-	-	1,640.41			
	nvestment in subsidiary company				(0.614.65)			
_	Dividend received	128.43	-	<u>-</u>	(9,544.00)			
	let Cash from/(used in) investing activities (B)		(2.024.44)	(20.142.52)	5.00			
	mono (used in) investing activities (B)	(5,999.77)	(3,834.44)	(20,143.63)	(1,35,143.68)			

For SHRIRAM CITY UNION FINANCE LTD.,

Authorised Signatory

			1	· · · · · ·	
C	ash Flows from Financing Activities			 	
	oceeds from issue of equity share capital including curities premium and share application money	5.77	7.55	78,972.56	13,036.47
In	crease / (decrease) of long-term borrowings	54,671.59	1,53,466.70	(1,19,747.65	65,443.53
Inc	crease / (decrease) of short-term borrowings	281,274.37	(17,717.53)	79,389.71	(1,21,873.19)
Pu pa	ablic issue expenses for non-convertible debentures id		•	(53.53)	(1,468.32)
Di	vidend Paid	(9,880.26)	(10,203.64)	(6,908.03)	(5,880.22)
	x on dividend	(2,013.37)	(2,079.82)	1	(999.34)
	ash and bank balance received on account of erger with SRHPL		-	-	5,666.33
Pre	emium paid on redemption of Debentures		•	† - †	-
Ne	et Cash from/(used in) financing activities (C)	324,058.10	1,23,473.26	30,388.22	(46,074.74)
	et increase / (decrease) in cash and cash uivalents (A+B+C)	2,253.31	4,034.13	(79,258.20)	(60,234.44)
Ca yea	ash and cash equivalents at the beginning of the ar	41,004.95	36,970.81	1,16,229.01	1,76,463.45
Ca	ish and cash equivalents at the end of the year	43,258.26	41,004.95	36,970.81	1,16,229.01
Co	omponents of Cash and Cash Equivalents			T	
Ca	sh on hand	5,562.57	4,485.06	5,723.59	6,231.07
- 1	lances with banks in rrent accounts	36,662.77	34,181.71	24,686.61	21,564.59
Un	paid dividend accounts	82.92	73.18	60.61	•
De	posits with maturity of less than 3 months	950.00	2,265.00	6,500.00	88,433.35
T	otal Cash and Cash Equivalents	43,258.26	41,004.95	36,970.81	1,16,229.01

4. (a) Details of auditors of the Company

Sr No	Name of the Auditor	Address	Auditor Since
	M/s. G D Apte & Co, Chartered Accountants Firm Registration no. 100515W	GDA House, 94/95, Plot No.85, Bhusari Colony, (Right) Kothrud, Pune - 411038.	1996

- (b) Details of Change in Auditors : M/s G D Apte & Co have been appointed as the auditors of the Company at the Annual general meeting held on June 30, 2017.
- (c) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark:

The Report of the Statutory Auditors of the Company had not contained any reservations or qualifications or adverse remarks during the last five financial years commencing from April 1,2012. The Report of the Secretarial Auditor of the Company did not contain any reservations or qualifications or adverse remarks during the last two financial years.

5. CAPITAL STRUCTURE:

 (a) Share Capital
 FY ended on March 31

 Share Capital
 Evented on March 31
 FY ended on March 31

For SHRIRAM CITY UNION FINANCE LTD.,

Authorised Capital		· · · · - · - · - · - · - · - · · - · · - · · - ·		ı -
(No of equity share of `10 each)	11,85,00,000	11,85,00,000	11,85,00,000	10,77,00,000.00
(No of preference shares of `100 each)	40,00,000	40,00,000	40,00,000	40,00,000
Amount of Authorised share capital of `10 each (`in lakhs)	1,58,500	1,58,500	1,58,500	1,58,500
ssued, subscribed and paid up share capital (no of equity shares)	6,59,43,402	6,59,27,152	6,59,05,612	5,92,84,432
Amount of issued ,subscribed and paid up equity share capital	6,594.34	6592.72	6590.56	5928.44
Total	6,594.34	6,592.72	6,590.56	5,928.44
Securities Premium before the Issue	175,369.25	1,75,328.39	1,75,274.22	98,644.52
Securities Premium after the Issue	175,369.25	1,75,328.39	1,75,274.22	98,644.52

The present offer is an offer for NCDs on private placement basis and is not an issue of equity shares

(b) Changes in Capital Structure

S.	Particulars		March 31, 2017	
N		Amount in	Date of Change	AGM/EG
0		`in lacs	_	M
1.	12,00,000 (twelve lakhs) equity shares of Rs 100 (Rupees Hundred) each divided	120.00	July 28,2014	AGM
2.	into 1,20,00,000 (one crore twenty lacs) equity shares of Rs 10 (Purpos tan) and		<i>y</i> = -, = - 1 .	710171
~.	The authorised share capital of our Company was increased from Rs 1,40,00,00,000 divided into 10,00,00,000 equity shares and 40,00,000 Cumulative Redeemable Preference shares of Rs 100 each to Rs 1,58,50,00,000 divided into 10,65,00,000 equity shares of Rs 10/- each and 12,00,000 equity shares of Rs 100/-	15,850.00	August 16, 2013	EGM
3.	each and 40,00,000 Cumulative Redeemable Preference Shares of Rs 100/- each The authorised share capital of our Company was increased from Rs 1,00,00,00,000 divided into 6,00,00,000 equity shares and 40,00,000 Cumulative	14,000.00	March 24,2012	AGM
	Redeemable Preference shares of Rs 100 each to Rs 1,40,00,000 divided into 10,00,00,000 equity shares and 40,00,000 Cumulative Redeemable Preference Shares of Rs 100 each			

Annual General Meeting ("AGM") ,Extraordinary General Meeting ("EGM")

(c) Equity Share Ca Date of Allotment	No equity shares	o Face value	Premi	Issue	Considera tion (Rs)	Cumulati		
	<u> </u>		(143)	(143)		Shares (in	Share Capital (Rs in crores)	Cumulative Premium (Rs in crores)

April 30,2011	[1,48,400	10	25	35	Cash	Exercise of ESOP*	496.85	49.685	149.87
June 7,2011	43,550	10	25	35	Cash	Exercise of ESOP	497.28	49.729	149.98
June 29,2011	4,552	10	25	35	Cash	Exercise of ESOP	497.33	49.733	149.99
August 1,2011	16,600	10	25	35	Cash	Exercise of ESOP	497.49	49.750	150.03
August 30,2011	10,880	10	25	35	Cash	Exercise of ESOP	497.60	49.761	150.06
October 3,2011	8,600	10	25	35	Cash	Exercise of ESOP	497.69	49.769	
November 5,2011	7,500	10	25	35	Cash	Exercise of ESOP	497.76	49.776	150.08
December 3,2011	15,300	10	25	35	Cash	Exercise of ESOP			150.10
December 29,2011	91,700	10	25	35	Cash		497.92	49.792	150.14
February 4,2012	1,32,750		25	35	Cash	Exercise of ESOP	498.83	49.884	150.36
March 1,2012	36,900	10	25	35	Cash	Exercise of ESOP	500.17	50.017	150.70
March 27,2012	23,00,000		560	570		Exercise of ESOP	500.54	50.054	150.79
March 31,2012	13.600	10	25	_	Cash	Preferential issue	523.54	52.354	279.59
May 4,2012	32,000	10	25 25	35	Cash	Exercise of ESOP	523.67	52.367	279.62
May 31,2012				35	Cash	Exercise of ESOP	523.99	52.399	279.71
June 30,2012	8,950	10	25	35	Cash	Exercise of ESOP	524.08	52.408	279.73
July 31,2012	20,457	10	25	35	Cash	Exercise of ESOP	524.29	52.429	279.78
	57,085	10	25	35	Cash	Exercise of ESOP	524.86	52.486	279.92
September 12,2012	27,900	10	25	35	Cash	Exercise of ESOP	525.14	52.514	279.99
October 9,2012	7,350	10	25	35	Cash	Exercise of ESOP	525.21	52.521	280.01
November 2,2012	10,750	10	25	35	Cash	Exercise of ESOP	525.32	52.532	280.04
December 5,2012	7,200	10	25	35	Cash	Exercise of ESOP	525.39	52.539	280.06
January 5,2013	10,865	10	25	35	Cash	Exercise of ESOP	525.50	52.550	280.08
February 5,2013	8,124	10	25	35	Cash	Exercise of ESOP	525.79	52.558	280.10
March 8,2013	5,600	10	25	35	Cash	Exercise of ESOP	525.63	52.563	280.12
March 28,2013	2,850,000	10	560	570	Cash	Conversion of Warrants	554.13	55.413	439.72
						into equity shares		["""	133.72
March 30,2013	2,850	10	25	35	Cash		554.16	55.416	439.72
May 6,2013	2,000	10	25	35	Cash		554.18	55.418	439.73
July 5,2013	17,200	10	25	35	Cash		554.35	55.436	439.77
July 17,2013	3,050,000	10	560	570	Cash		584.85	58.485	610.57
			1			into equity shares	003	50.405	010.57
August 19,2013	27,391,61	10	NA	NA		Pursuant to the Scheme of	592.66	59.267	610.57
	3				Cash	Arrangement **	572.00	57.207	010.57
September 5,2013	10,500	10	25	35	+		592.77	59.277	610.60
November 25,2013		10	25	35	Cash		592.81	59.280	610.61
January 10,2014		10	25	35		<u> </u>		59.284	
	D.330						34 / X/		K 10 62
		10	25		· · · · · · · · · · · · · · · · · · ·		592.84		610.62
April 10,2014	1,900	10 10	25 1190	35	Cash	Exercise of ESOP	592.86	59.286	610.62
April 10,2014 June 3,2014	1,900 65,79,840	10	1190	35 1200	Cash Cash	Exercise of ESOP Preferential allotment	592.86 658.66	59.286 65.867	610.62 1,393.62
April 10,2014 June 3,2014 June 23,2014	1,900 65,79,840 19,200	10 10	1190 25	35 1200 35	Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85	59.286 65.867 65.885	610.62 1,393.62 1,393.67
April 10,2014 June 3,2014 June 23,2014 July 11,2014	1,900 65,79,840 19,200 4,000	10 10 10	1190 25 25	35 1200 35 35	Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP Exercise of ESOP	592.86 658.66 658.85 658.89	59.286 65.867 65.885 65.889	610.62 1,393.62 1,393.67 1,393.68
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014	1,900 65,79,840 19,200 4,000 2,000	10 10 10 10	1190 25 25 25 25	35 1200 35 35 35	Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP Exercise of ESOP Exercise of ESOP	592.86 658.66 658.85 658.89 658.91	59.286 65.867 65.885 65.889 65.891	610.62 1,393.62 1,393.67 1,393.68 1,393.69
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014	1,900 65,79,840 19,200 4,000 2,000 9,000	10 10 10 10	1190 25 25 25 25	35 1200 35 35 35 35	Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP Exercise of ESOP Exercise of ESOP Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00	59.286 65.867 65.885 65.889 65.891 65.900	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800	10 10 10 10 10 10	1190 25 25 25 25 25 25	35 1200 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00	59.286 65.867 65.885 65.889 65.891 65.900 65.905	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440	10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05	59.286 65.867 65.885 65.889 65.891 65.900 65.905	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060	10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72 1,393.72
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000	10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600	10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07 659.19	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72 1,393.72
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000	10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72 1,393.72 1,393.75
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000	10 10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07 659.19	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72 1,393.72 1,393.75 1,393.76
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575	10 10 10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07 659.19 659.20 659.21 669.22	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,392.72 1,393.72 1,393.75 1,393.76 1,393.77 1,393.78
April 10,2014 June 3,2014 June 3,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 July 13, 2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480	10 10 10 10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.07 659.19 659.20 659.21 659.22	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,392.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78
April 10,2014 June 3,2014 June 3,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 October 12, 2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480 6350	10 10 10 10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.07 659.19 659.20 659.21 659.22 659.22	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921 65.922	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,392.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78 1,393.79
April 10,2014 June 3,2014 June 3,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 July 13, 2016 October 12, 2016 November 16, 2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480 6350	10 10 10 10 10 10 10 10 10 10 10 10 10	1190 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.07 659.19 659.20 659.21 659.22 659.22 659.23	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921 65.922 65.922 65.926 65.937	610.62 1,393.62 1,393.67 1,393.68 1,393.69 1,393.71 1,393.72 1,392.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78 1,393.79 1,395.38
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 July 13, 2016 October 12, 2016 November 16, 2016 December 21, 2016	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480 6350 200 575	10 10 10 10 10 10 10 10 10 10 10 10 10 1	1190 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.06 659.07 659.19 659.20 659.21 659.22 659.22 659.22 659.37	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921 65.922 65.922 65.926 65.937	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,393.72 1,393.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78 1,393.79 1,395.38 1395.45
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 July 13, 2016 October 12, 2016 November 16, 2016 December 21, 2016 January 11, 2017	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480 6350 200 575 1	10 10 10 10 10 10 10 10 10 10 10 10 10 1	1190 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.07 659.19 659.20 659.21 659.22 659.22 659.23 659.37 659.37	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.907 65.919 65.920 65.921 65.922 65.922 65.926 65.937 65.937	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,393.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78 1,393.78 1,393.78 1,393.78 1,395.38 1395.45 1395.65
April 10,2014 June 3,2014 June 23,2014 July 11,2014 July 31,2014 September 11,2014 October 13, 2014 January 12,2015 May 11,2015 September 16,2015 October 14,2015 December 8,2015 January 20,2016 June 15, 2016 July 13, 2016 October 12, 2016 November 16, 2016 June 15, 2016 July 13, 2016 October 12, 2016 November 16, 2016 January 11, 2017	1,900 65,79,840 19,200 4,000 2,000 9,000 4,800 440 1,060 12,000 1,600 6,000 880 575 3,480 6350 200 1	10 10 10 10 10 10 10 10 10 10 10 10 10 1	1190 25 25 25 25 25 25 25 25 25 25	35 1200 35 35 35 35 35 35 35 35 35 35	Cash Cash Cash Cash Cash Cash Cash Cash	Exercise of ESOP Preferential allotment Exercise of ESOP	592.86 658.66 658.85 658.89 658.91 659.00 659.05 659.07 659.19 659.20 659.21 659.22 659.22 659.23 659.37 659.37	59.286 65.867 65.885 65.889 65.891 65.900 65.905 65.906 65.907 65.919 65.920 65.921 65.922 65.922 65.926 65.937	610.62 1,393.62 1,393.67 1,393.68 1,393.71 1,393.72 1,393.72 1,393.72 1,393.75 1,393.76 1,393.77 1,393.78 1,393.78 1,393.79 1,395.38 1395.45

^{*}Employees Stock Option Scheme ("ESOP") ** The Composite Scheme of arrangement between Shriram Retail Holdings Private Limited ("SEHPL"), Our Company and the respective shareholders and creditors (Scheme of arrangement).

(d) DETAILS OF SHAREHOLDING

Sr.	Particulars			As on June 30, 2017
No	a a secular s	Total No of equity shares	No. of shares held in Dematerialised Form	Total shareholding as a percentage of total no. of shares
1.	Promoter	22268877	22268877	33.77
2.	Foreign Portfolio Investor	17267383	17267383	26.18
3.	Foreign Body	13421889	13421889	
4.	Body Corporate	7000700	6998300	20.35
5.	Foreign Intuitional Investor	57391	57391	10.62
6.	Individual Shareholders	1873224	1635656	0.09
7.	Mutual Funds/UTI/ Alternate Investments	3685993		2.84
8.	Limited Liability Partnership	41056	3685993	5.59
5 . †	Financial Institutions / Banks		41056	0.06
0.	Clearing Member/Margin Trading Account	138018	138018	0.21
i.	NBFCs	1741	1741	0.00
2	Trust /Association of Persons	13655	13655	0.02
		5044	5044	0.01
3	Non resident Indians	170156	170156	0.26
	Total	65945127	65705159	100.00

Sr.	T OF TOP 10 HOLDERS OF EQUITY SHARES OF THE C Name of the shareholders	COMPANY As on June 30, 2017					
No	Name of the shareholders	Total No of equity shares	No. of shares held in Dematerialised Form	Total shareholding as a percentage of total no. of shares			
_ 1	Shriram Capital Limited	22268877	22268877				
2	Dynasty Acquisition FPI Ltd	13421889	13421889	33.77			
3	Piramal Enterprises Limited	6579840	6579840	20,35 9,98			
5	EAST BRIDGE CAPITAL MASTER FUND LIMITED	2562364	2562364	3.89			
	Matthews India Fund	1873192	1873192	2.84			
6	Morgan Stanley Asia (Singapore) Pte.	1495784	1495784	2.27			
7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED	1254585	1254585	1.90			
8	Cornalina Acquisition (FII) Limited Apax VIII GP Co Limited A/C	1223810	1223810	1.86			
	Bank Muscat S A O G A/C Bank Muscat India Fund	1050000	1050000	1.59			
10	Acacia Partners, LP	1000000	1000000	1.52			
	Total	51685547	51685547	70.20			

6. DETAILS OF BORROWINGS/GUARANTEES OF THE COMPANY

(a) Secured Borrowings

(i) Terms Loan, Cash Credit, Working Capital Demand Loans and Short Term Loans from Banks and Financial Institutions:

	Name of the Institution	Type of Facility	30-Jun-17	3/31/2017	
					ı

For SHRIRAM CITY UNION FINANCE LTD.,

Authorised Signatory

	S. No		Sanction Limit (Rs in Crores)	Availed limit	Outstand (Rs in cr	ing Sance s) Lim (Rs Cror	it lim in	
-	1 ALLAHABAD BANK	Term Loan	300	300	300	300	3(200
-	2 ABU DHABI COMMERCIAL BAN	JK Term Loan	35	35	35	35		5 35
-	3 ANDHRA BANK	Cash Credit & Term loan	575	575	575	575	57	_
-	4 AXIS BANK LTD.	Cash Credit & Term Ioan	600	600	527	600		
-	5 BANK OF BARODA	Term Loan	600	600	550		60	
-	6 BANK OF INDIA	Cash Credit & Term loan	700	700	699	700	600	
	7 BANK OF MAHARASHTRA	Cash Credit & Term loan	350	350	300	350	700	
1	CANARA BANK	Cash Credit & Term Ioan	125	125	115		350	
	CITICORP FINANCE (INDIA) LTD	Term Loan	350	350	350	350	125	
10	CITY UNION BANK LTD.	Cash Credit	14	14			350	
11	DENA BANK	Cash Credit	150	150	1	150	150	1 50
12	DEVELOPMENT CREDIT BANK	Cash Credit	20	20	19	20	20	50
13	FEDERAL BANK	Cash Credit & Term Ioan	250	250	226	250	250	19
_14	HDFC BANK LTD.	Cash Credit & Term Ioan	505	505	459	350	350	246
15	HSBC	Cash Credit & Term Ioan	125	125	125	125	125	304
16	ICICI BANK LTD.	Cash Credit & Term Ioan	200	200	242	200	200	120
17	IDBI BANK LTD.	Cash Credit	100	100	0	100	100	243
18	INDIAN BANK	Cash Credit & Term Ioan	625	625	600	625	625	0
19	INDIAN OVERSEAS BANK	Term loan	650	450	450	150	150	600
20	INDUSIND BANK LTD.	Cash Credit	400	400		400	400	150
21	KOTAK MAHINDRA BANK LTD.	Cash Credit & Term loan	250	250	240	250	250	196
22	ORIENTAL BANK OF COMMERCE	Cash Credit & Term Ioan	105	105	104	105	105	100
	PUNJAB NATIONAL BANK	Cash Credit & Term loan	300	300	299	300	300	
24	SIDBI LTD.	Term Loan	700	700		700	700	298
5	STANDARD CHARTERED BANK	Cash Credit				700	700	445
- f t	STATE BANK OF INDIA (Erstwhile STATE BANK OF HYDERABAD)	Cush Credit	250	250		250	250	
6	·······································	Тегт Loan	100	100	100	100_	100	100
7 5	STATE BANK OF INDIA	Cash Credit & Term Ioan	700	700	494	700	700	674

28	SBM BANK (MAURITIUS) LTD	Cash Credit & Term loan	50	50	50	50	50	49
29	STATE BANK OF INDIA (Erstwhile STATE BANK OF TRAVANCORE)	Term Loan	250	250	250	250	250	250
30	SYNDICATE BANK	Cash Credit & Term Ioan	949	949	784	949	949	845
31	THE SOUTH INDIAN BANK LTD.	Term Loan	200	200	200	200	200	200
32	UNION BANK OF INDIA	Cash Credit & Term Ioan	505	505	504	505	505	504
33	UNITED BANK OF INDIA	Term Loan	400	400	400	400	400	400
34	VIJAYA BANK	Term Loan	395	395	395	395	395	395
			11,828	11,628	9,836	11,173	11,173	9,618

(ii) NCDs issued through Public Offerings and Private Placements

S. No	Particulars	As June 30, 2017 (Rs in crores)(Unaudited)	As on March 31,2017 (Rs in crores)
!	Privately Placed NCDs (Retail)	18.29	29.90
	Privately Placed NCDs (Institutional)	1259.87	785.87
3	Public Issue of NCDs	291.90	334.64
	Total	1570.05	1150.41

(b) DETAILS OF UNSECURED BORROWING

SI No	Particulars	As June 30, 2017 (Rs in crores) (Unaudited)	As on March 31,2017 (Rs in crores)
1	Fixed deposits	3172.42	3255.90
2	Subordinated debts	1014.65	1017.78
3	Commercial Paper	1905.00	2000.00
<u>L</u>	Total	6092.07	6273.68

(c) SERVICING BEHAVIOR ON EXISTING DEBT SECURITIES DURING THE QUARTER ENDED ON JUNE 30,2017

Sr	PP/	ISINs	T D (7	Due Date	Actual Date	Amount
No	PI	1511/18	P/I	of Interest payment	of Payment of interest	(Rs. in Crs)
1	PP	INE722A07612	1	17/06/17	17/6/2017	4.65
2	PP	INE722A07620	I	22/06/17	22/6/2017	4.65
3	PI_	INE722A07422	1	01/04/17	31/03/2017	8.97
4	PI	INE722A07539	P+I			
5	Pi	INE722A07547	1	7		
6	PI	INE722A07562	P +I	03/05/17	03/05/17	55.82
7	PP	INE 722A07596	P+I	1/6/2017		18.97

Privately Placed ("PP"), Public Issue ("PI") Principal ("P"), Interest ("I")

or SHRIRAM CITY ANCO FINANCE ET SI

3:

(d) CORPORATE GUARANTEE ISSUED ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY, JV ENTITY, GROUP COMPANY, ETC) ON BEHALF OF WHOM IT HAS BEEN ISSUED AS ON MARCH 31, 2017

Name	Relation	Type of Guarantee	Amount (Rs in crores)	Period	Terms of guarantee
SHFL	Subsidiary	Performance Guarantee	25	money remain due by the borrower to National Housing Bank	1.Repayment of principal amount along with the interest thereon not exceeding Rs 25 crores by SHFL. 2.The Company shall not transfer, assign, dispose of, pledge charge or create any lien or in any way encumber existing future shareholding in SHFL Capital in favour of any person till the time the money remain due by the borrower to National Housing Bank

(e) DETAILS OF COMMERCIAL PAPER AS ON JUNE 30, 2017

	Maturity Date	Amount Outstanding
IDBI Mutual Fund	Thursday, September 28, 2017	50.00
Indian Bank	Thursday, October 12, 2017	25.00
Axis bank	Tuesday, February 06, 2018	100.00
DSP Blackrock Mutual Fund	Tuesday, August 29, 2017	50.00
Relaince Mutual Fund	Tuesday, August 29, 2017	100.00
Axis Bank	Thursday, March 01, 2018	100.00
STATE BANK OF INDIA	Thursday, March 29, 2018	200.00
AXIS BANK LTD	Wednesday, August 09, 2017	150.00
Kotak Mutual Fund	Monday, August 21, 2017	125.00
SBI MUTUAL FUND	Monday, July 24, 2017	145.00
SBI MUTUAL FUND	Friday, July 28, 2017	200.00
HDFC Mutual Fund	Monday, August 28, 2017	100.00
SBI Mutual Fund	Thursday, September 21, 2017	250.00
HDFC Mutual Fund	Wednesday, September 20, 2017	200.00
SBI Mutual Fund	Friday, March 23, 2018	100.00
SBI Mutual Fund	Friday, March 23, 2018	10.00
	TOTAL	1,905.00

(f) NCDs (Secured)

Public Issue of Listed Secured NCDs

As on	June	30,	2017	
-------	------	-----	------	--

			Coupon	Outstanding Amount (' in Crores)	Date of Allotment	Redepmtion Date	Current Credit Rating	Security
	934858/N8	60	10.75	111.16	06-10-2012	06-10-2017	CARE AA +/ CRISIL AA-/Stable	The repayment of NCDs of Rs
2	934858/N8	60	11.75		06-10-2012	06-10-2017	CARE AA +/ CRISIL AA-/Stable	1,000/- each at face value on
3	934860/NA	60	10.75		06-10-2012	06-10-2017	CARE AA +/ CRISIL AA-/Stable	theron are secured by mortgage of
4	934860/NA	60	11.75		06-10-2012	06-10-2017	CARE AA +/ CRISIL AA-/Stable	mmovable property and by way or charge on the Company's

For SHRIRAM CITY UNION FINANCE LTD.

Authorised Signatory

5	934934/NC	48						specifically identified movable assets such as book debts/loan receivable in favour of the Trust
_			10.75		04-01-14	04-01-18	CARE AA +	The repayment of NCDs of R
	934934/NC	48	10.75		04-01-14	04-01-18	CARE AA +	1,000/- each at face value on
	934934/NC	48	11.25		04-01-14	04-01-18	CARE AA+	maturity together with interes theron are secured by mortgage
	934934/NC	48	11.25	85.60	04-01-14	04-01-18	CARE AA +	immovable property and by wa
	934935/ND	60	10.75		04-01-14	04-01-19	CARE AA +	of charge on the Company's
	934935/ND	60	10.75		04-01-14	04-01-19	CARE AA +	specifically identified movable assets such as book debts/loar
	934935/ND	60	11.5		04-01-14	04-01-19	CARE AA +	receivable in favour of the Truste
	934935/ND	60	11.5		04-01-14	04-01-19	CARE AA +	appointed.
	934937/NF	48	10.75		04-01-14	04-01-18	CARE AA +	
_	934937/NF	48	10.75		04-01-14	04-01-18	CARE AA +	
_ 1	934937/NF	48	11.25		04-01-14	04-01-18	CARE AA +	
r	934937/NF	48	11.25		04-01-14	04-01-18	CARE AA +	
)34938/NG	60	10.75		04-01-14	04-01-19	CARE AA +	
_	34938/NG	60	10.75		04-01-14	04-01-19	CARE AA +	
	34938/NG	60	11.5		04-01-14	04-01-19	CARE AA +	
	34938/NG	60	11.5		04-01-14	04-01-19	CARE AA +	
	34939/NH	60	10.75		04-01-14	04-01-19	CARE AA +	}
	34939/NH	60	10.75		04-01-14	04-01-19	CARE AA +	
	34939/NH	60	11.25		04-01-14	04-01-19	CARE AA +	-
	34939/NH	60	11.25		04-01-14	04-01-19	CARE AA +	
	35044/*	60	11.5		03-05-14	03-05-19	CARE AA +	The reason Chicago
	35044/* 35046/*	60	11.5	j	03-05-14	03-05-19	CARE AA +	The repayment of NCDs of Rs 1,000/- each at face value on
_		60	10.85		03-05-14	03-05-19	CARE AA +	maturity together with interest
73	5050/*	60	11.5		03-05-14	03-05-19	CARE AA +	theron are secured by mortgage of immovable property and by way
93	5050/*	60	11.5	Ī	03-05-14	03-05-19	CARE AA +	of charge on the Company's
	5052/*	60	10.85		03-05-14	03-05-19	CARE AA +	specifically identified movable assets such as book debts/loan receivable in favour of the Trustees

Private Placement of Listed NCDs

S. No	BSE/NSE	Tenor	Coupon	Outstanding	Date of	Redepmtion	C		e 30, 2017
140	Scrip Code	(in Months)		Amount	Allotment	Date	Current Credit Rating	Secured Unsecured	Security
1	947088/*	120	10.75	13.34	04-02-11	04-02-21	0.00	Justinia]
2	946954/*	84	10.5	13.34	23-11-10		CARE AA+ & CRISIL AA-/Stable	Secured	The redemption of
3	946991/*	84	10.6	25.00		23-11-17	CARE AA+ & CRISIL AA-/Stable		principal amount of NC
4	948214/*	60	10.75		13-12-10	13-12-17	CARE AA+ & India Ratings IND AA	Secured	with all interest the on a secured by mortgage of
_		00	10.73	21.50	12-07-12	12-07-17	CARE AA+" & India Ratings IND	Secured	the specified immovable
5	948219/*	60	10.75	10.00	26-07-12	26-07-17	AA		property and by way of
6	951983/*	36	9.1	100.00	27-03-15		CARE AA+	Secured	charge on the company
7	952293/*	12	Zero	16.00		27-03-18	CARE AA+	Secured	specifically identified movable assets such as
8	952321/*	60	9.30	50.00	09-06-15	01-06-17	CARE AA+	Secured	book debts/loan
9	952335/*	60	9.30		17-06-15	17-06-20	CARE AA+	Secured	receivables in favour of
ᆎ	952507/*	24			22-06-15	22-06-20	CARE AA+	Secured	the trustees appointed.
1	952635/*		9.17	2.70	17-07-15	I0-07-17	CARE AA+	Secured	
$\frac{1}{2}$		36	9.07	35.00	12-08-15	10-08-18	CARE AA+		
	952937/*	36	8.95	75.00	30-10-15	31-10-18		Secured	
3	955112/*	36	8.25		07-10-16	07-10-19	CARE AA+	Secured	
4	947934/*	84	11.85		16-01-12		CARE AA+	Secured	
5	947935/*	66	11.6			16-01-19	CARE AA+	Insecured	
				13.00	27-02-12	27-08-17	CARE AA+	Insecured	

17	947936/*	84	11.85	35.00	27-02-12	27-02-19	CARE AA+	Unsecured	Not Applicable
18	947937/*	66	11.60	10.15	26-03-12	26-09-17	CARE AA+	Unsecured	••
19	947938/*	84	11.85	50.20	26-03-12	26-03-19	CARE AA+	Unsecured	
20	947891/*	84	11.85	100.00	15-03-12	15-03-19	CARE AA+	Unsecured	
21	948722/*	84	11.15	60.00	31-12-12	31-12-19	CARE AA+	Unsecured	
22	948932/*	84	11.15	15.00	07-01-13	07-01-20	CARE AA+	Únsecured	
23	955962/*	1133 (Days)	Zero	115.00	10-03-17	16-04-20	CARE AA+(Stable)	Secured	
		1078 (Days)	8.15	350.00	14-06-17	27-05-20	CARE AA+(Stable)	Secured	
		1112 (Days)	8.15	5.00	14-06-17	30-06-20	CARE AA+(Stable)	Secured	
		549(Days)	7.95	135.00	23-06-17	24-12-18	CARE AA+(Stable)	Secured	

	549(Day	· 1	135.00	23-06-17	24-12-18	CARE AA+(Stable)	Secured	
g) List of Top T	T						As on June 30,	2017, 2017
	Sn	IS	IN				No of NCDs	Amount (Rs
		<u> </u>				Debenture holder	held	lacs)
	1,	INE722	A07448		Sudhinda	Krishan Khanna	20000	200.00
	2.	INE722	A07422		Indu 1	Nilkanth Date	12000	120.00
	3.	INE722.	A07422		Susim	Mukul Datta	10000	100.00
	4.	INE722.	A07422		Arı	ın Mullaji	10000	100.00
	5.	INE722	A07448		HaSmu	kh Parekh	10000	100.00
	6.	INE722	A07422		Sushil K	umar Agrawal	7225	72.25
		INE722/	A07422		Um	a Agrawal	6196	61.96
ublic Issue of	7.	INE722	A07448			Kishan Gupta	5598	55.98
NCDs of Rs 000 each	8.	INE722	407422		Adi	tya Gaddh	5000	50.00
nade in the ear 2012	9.	INE722A	407422	Life	Cell Interna	tional Private Limited	5000	50.00
	Total			-			91019	910.19
	1.	INE722A	A07471	United India	Insurance (Company Limited Employees		500.00
	2.	INE722A	107505			nce Company Limited	17500	175.00
	3.	INE722A	107455			yees Provident Fund	10000	100.00
İ	4.	INE722A	_			vices Private Limited	10000	100.00
	5.	INE722A		N D Founda		rices i fivate Emitted	6000	
	6.	INE722A		Gautam N P				60.00
•	7.	INE722A		Sheetal Mili			5000	500.00
ublic Issue of	8.	INE722A		Brown Stone		oo D I td	4000	40.00
NCDs of Rs	9.	INE722A		Sanjay Pranl		is r Liu	4000	40.00
1000 each	10.	INE722A		Neena Milin			3240	32.40
made in the	10	INE722A		Hema Parasu			3000	30.00
year 2013	10	11111/22/	107303	<u> </u>			3000	30.00
	1.	INE722A	07547		tal		1,15,740	1157.40
		INE/ZZA		United India Provident Fu		ompany Limited Employees	150000	1,500.00
	2.	INE722A	07547		ital Trustee	Co Ltd- A/C Reliance Series 3	99000	990.00
Į.	3	INE722A	.07570			tware Services P Ltd	50000	500.00
iblic Issue of NCDs of Rs	4.	INE722A	.07547	Reliance Cap Fixed Horizo	ital Trustee	Co. Ltd -A/C Reliance	46000	460.00
1000 each	5.	INE722A		Purvi Bansal			6500	65.00
made in the year 2014	6.	INE722A	07547			Co Ltd A/C Reliance	5000	50.00
)	7.	INE722A		Subramaniam				

	8.	INE722A07539	Ram Nath Bansal	3159	31.59
1	9.	INE722A07547	R Kannathal	3000	30.00
	10.	INE722A07539	Perviz Noshir Bhada	3000	30.00
			Total	3,70,159	3701.59
	1.	INE722A07703	RELIANCE CAPITAL TRUSTEE CO LTD A/C-RELIANCE MONEY MANAGER FUND	175	17500
	2	INE722A07588	HDFC BANK LTD	100	10000
	3	INE722A07711	POSTAL LIFE INSURANCE FUND A/C SBIFMPL	80	8000
	4	INE722A07687	POSTAL LIFE INSURANCE FUND A/C SBIFMPL	50	5000
	5.	INE722A07612	POSTAL LIFE INSURANCE FUND A/C SBIFMPL	40	4000
	6.	INE722A07620	POSTAL LIFE INSURANCE FUND A/C SBIFMPL	40	4000
		INE722A07687	RURAL POSTAL LIFE INSURANCE FUND A/C SBIFMPL	25	2500
	8.	INE722A07679	SBM BANK (MAURITIUS) LTD	20	2000
Private	9.	INE722A07711	RURAL POSTAL LIFE INSURANCE FUND A/C SBIFMPL	20	2000
Placement of	10.	INE722A07596	SBI DEBT FUND SERIES A 27	16	1600
Listed NCDs	,	Total		556	55600
1	<u>l.</u>	Not Applicable	Shriram Life Insurance Company Ltd	9900	99.00
	2.		Daaman Hejmadi	6000	60.00
ļ	3.		Shriram Life Insurance Company Ltd	4999	49.99
	4.		Sheetal Chittawar	2500	25.00
	5.		Trilekha Constructions & Finance Pvt Ltd	2300	23.00
1	6.		Zarir Batliwala	2000	20.00
	7.		Daaman Hejmadi	2000	20.00
Private	8.		Vijay J	2000	20.00
Placement of	9.	<u> </u>	Lakshmi R Acharya	2000	20.00
unlisted	10.		Anthony Raj A M J	2000	20.00
NCDs			Total	35699	356.99

h. List of Top Ten Subordinated Debt Holders

Listed	Sn	ICIN	As on June 30, 2017		
Subordinated Debts	Sn	ISIN	Name of the Subordinated holder	No of Sub Debt held	Amount (Rs in lacs)
Deois	1.	INE722A08057	The state of the real bank Lity	3460	3460.00
	2.	INE722A08073	The state of the s	2500	2500.00
ì	3.	INE722A08057		2161	2161.00
ļ	4.	INE722A08024	The state of the s	2000	2000.00
	5.	INE722A08057	Shriram General Insurance Company Limited	2000	2000.00
	6.	INE722A08073	United India Insurance Company Limited	1500	1500.00
ĺ	7.	INE722A08040	Bank of Baroda	1500	1500.00
	8.	INE722A08081	Canara Bank Mumbai	150	1500.00
	9.	INE722A08081	Syndicate Bank	150	1500.00
	10.	INE722A08073	The South Indian Bank	1000	1000.00
	 -; 		Total	19121	19121.00
Unlisted	1.	Not 4 11	Shriram Capital Limited	10000	100.00
Subordinated	2.	Not Applicable	Shriram Capital Limited	10000	100.00
Debts	3.		A Shilpa	9416	94.16

	Total			
10.	Subodh Lagoo And Family HUF	5000	50.00	
9.	Bharadhwaj Trust	5000	50.00	
8.	Hariharan V	5000	50.00	
1 / 1	Mahalakshmi Trust	5000	50.00	
6.	Murali Vasantham Trust	5000	50.00	
3.	Munjal R Vyas	5000	50.00	
4.	Jehangir Faramji Elavia	7500	75.00	

7. CONSOLIDATED BALANCE SHEET

`in lacs

S. No.	Particulars	For the Quarter ended	As on FY ended March, 31(Audited)				
_		June 30, 2017(Unaudited)	2017	2016	2015		
I	Equity and Liabilities						
1	Shareholder's Fund						
(a)	Share Capital	6594.51	6594.34	6,592.72	6,590.56		
(b)	Reserves and Surplus	523981.98	512163.14	4,58,282.83	4,15,008.92		
2	Non-Current Liabilities						
(a) 	Long term borrowings	1137557.73	1093733.15	10,01,268.70	8,08,974.27		
(b)	Other long term liabilities	36815.17	35411.03	50,126.10	35,412.20		
(c)	Long Term Provisions	125987.86	118065.42	19,055.34	9,328.60		
3	Current Liabilities						
(a)	Short term borrowings	359629.24	381485.51	1,05,315.62	1,17,745.08		
(b)	Other Current Liabilities	481076.34	466505.50	4,90,289.15	4,19,783.43		
(c)	Short term provisions	13428.08	6152.84	67,472.58	44,527.83		
4.	Minority Interest	9668.19	9559.48	8910.74	8254.48		
	Total	2694739.10	2629670.50	22,07,313.78	18,65,625.37		
II	Assets						
1	Non-Current Assets						
(a)	Fixed assets						
(i)	Tangible Assets	7511.50	7484.85	7,282.77	7,653.98		
(ii)	Intangible Assets	766.10	844.48	1,442.40	687.23		
(b)	Non Current Investments	40038.74	37797.91	36,742.09	10,164.52		
(c)	Deferred tax assets (net)	5387.74	4575.26	3,919.49	3,117.99		
(d)	Long term loans and advances	1204326.38	1160086.68	7,41,004.32	6,05,452.51		
(e)	Other Non- Current assets	2333.72	4540.54	3520.69	13,722.74		

2	Current Assets				
(a)	Current Investments	26663.73	26039.16	34,690.87	73,464.69
(b)	Cash and bank balances	49349.07	64204.56	65,468.65	80,279.71
(c)	Short term loans and advances	1353056.39	1314488.24	13,00,990.57	10,57,655.02
(d)	Other Current Assets	5305.63	9608.82	12,251.93	13,426.98
	Total	2694739.10	2629670.50	22,07,313.78	18,65,625.37

8. CONSOLIDATED STATEMENT OF PROFIT AND LOSS

`in lacs

S. No	Particulars	For the Quarter ended		As on FY ended March, 31(Audited)				
		June 30, 2017(Unaudited)	2017	2016	2015			
1.	Income							
	Revenue from operations	128478.49	470359.28	3,99,819.04	3,56,169.96			
	Other Income	341.36	542.25	2,141.19	5,118.16			
	Total Income	128819.85	470901.53	4,01,960.23	3,61,288.12			
2.	Expenses		 		-,-,-			
	Employee benefit expense	16412.73	59729.79	54,082.64	42,633.19			

FOR SHRIRAM CITY UNION FINANCE LTD.

	Finance costs	43436.02	165231.69	144,038.43	1,34,006.59
	Depreciation and amortization expense	821.72	3571.21	3,762.29	4,364.84
	Other expenses	16685.38	58853.77	52,456.12	47,785.51
	Provision and write offs	21172.45	93828.28	62,683,41	45,819.01
	Total Expenses	98528.30	381214.74	3,17,022.89	2,74,609.14
3	Profit before tax	30291.55	89686.79	84,937.34	86,678.98
	Tax expense				
	Current tax	11239.99	T t	29,873.93	30,447.02
			31878.38		
	Deferred tax	(812.58)	(655.77)	(801.50)	(1236.84)
	Tax of earlier years			2.19	(66.69)
	Total tax expense	10427.41	31229.22	29,074.62	29,143.49
	Profit after tax from continuing operations	19386.25	58457.57	55,862.72	57,535.49
	Less-Minority Operations		648.73	656.27	3,93.41
	Earning per equity share		57808.84	55,206.45	57,142.08
	Equity shares of par value of `10/- each				
	Basic (')		87.68	83.75	88.24
	Diluted (`)	,	87.58	83.64	88.09

9. CONSOLIDATED CASH FLOW STATEMENT

`in lacs

S.	Particulars	For the FY ended on March, 31(Audited)							
No		2017	2016	2015	2014				
<u> </u>									
A	Cash flows from Operating								
<u></u>	Activities								
	Profit before Taxes	89686.79	84,937.34	86,678.98	79,557.72				
	Adjustments for:		•						
	Depreciation and amortization	3571.21	3,762.29	4,364.84	3,022.27				
	(Profit)/Loss on sale of fixed assets (Net)	8.82	(2.63)	(13.86)	27.89				
	Public issue expenditure for Non-Convertible Debentures	366.48	734.59	977.45	575.41				
	Provision for Non-Performing assets and bad debts written off	89956.62	60,759.59	44,901.17	38663.88				
	Contingent provision on Standard Assets	2353.21	1878.70	906.61	(107.96)				
	Provision for diminution in the value of Investments	-	45.12	11.23	5.71				
Ċ	Provision no longer required	2.11	(1,555.10)	(222.40)	(479.06)				
	Gain on sale of Investments	(228.31)	(417.53)	(4,175.15)	(760.40)				
	Provision for Lease rental	19.92	1.53	4.78	17.33				
	Loss on sale of Investments	-	(8.08)	76.05	-				
	Dividend Income	1518.45		(290.60)	(542.06)				
		(128.43)	1,50,135.82	1,33,219.28	1,19,499,93				
	Operating profit before Working	187126.87							
	Capital Changes								
S.	Particulars			d March, 31(Au	dited)				
			2016	2015	2014				

For SHRIRAM CITY UN'ON FINANCE LTD.

Authorised Signator

No				
Movements in W.				
Movements in Working Capital				-
Increase/decrease in assets un financing activities	der (426961.88)	(3,57,900.23)	(3,34,191	.4
			3)	40,321.09
Increase/decrease in Short te Loans and Advances	rm (2069.08)	(5,520.24)	(2,429.40	
				(5,736.37
Increase/decrease in Long te loans and advances		(47,078.78)	(37,902.3	
Increase/decrease in other curre assets		8,47.76	4,420.70	5,633.5
Increase/decrease in other no current assets	n- (1320.82)	1,994.76	3,762.18	6,124.2
				, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Increase/decrease in Investments	13829.26	46,426.96	67,431.44	(1,21,001.
Increase / (decrease) in other curre liabilities	nt (44666.14)	67,106.70	75,044.31	1. , ,,
			, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(11,337.2
Increase / (decrease) in other nor current liabilities	n- (16125.99)	15,218.95	(815.47)	(2,585.79
			\(\(\) \(\)	(2,303.7)
Cash generated from operations	(337451.26)	(1,28,768.30)	(91,460.70)	11,648.1
Direct taxes paid (net of refunds) Net Cash from/(used in	(32273.47)	(29,891.61)	(32,714.55)	, , , , , , , , , , , , ,
Cash Hom/(used In	(369724.73)	(1,58,659.91)	(1,24,175.2	` ,
operating Activities (A)		,	5)	(14,724.9)
Sasii Flows from Investing	g		- - 3) -	
Activities				
Purchase of fixed including	3	(4,177.91)	(2,875.95)	
intangible assets		()	1 ' '	(3.420.00)
Capital advance for assets	(3211.35)	1,400.92	(1,391.46)	(3,429.00)
Proceeds from sale of fixed assets	(10.88)	34.30	111.52	22.40
Purchase of investments	27.16	(27,805.85)	(21,360.19)	23.48
		(41,000,00)		(7.074.50)
Proceeds from sale of investments	(4643.10)	19,367.37	218.67	(7,274.72)
Profit on sale of investments	1366.34	417.53	4460.62	
Loss on sale of investments	128.43			2,279.4
Miscellaneous Income		4.68	(76.05)	
Dividend received	 	7.00	149.69	8.88
Net Cash from/(used in) investing	(6343.40)	(10,758.96)	0.51	222.08
activities (B)		(10,736.90)	(20,762.64)	(8,169.80)
Cash Flows from Financing				
Activities	1		1	
Proceeds from issue of equity share	5.77	7.55	78 072 55	00.75
capital including securities		1.55	78,972.56	22,563.47
premium and share application				
money	ŀ		1	
Increase / (decrease) of long-term	(113252.42)	1,97,300.02	(92.547.50)	
borrowings	<i>'</i>	-,-/,500.02	(83,547.68)	65,443.53
Increase / (decrease) of short-term	276169.89	(12,429.49)	70 200 7:	_
borrowings		(·~,¬∠ノ.¬ブ)	79,389.71	
Public issue expenses for non-				,21,873.19)
convertible debentures paid		-	(53.53)	-
Dividend Paid	(9880.26)	(10202.64)		468.32)
Tax on dividend	(2013.37)	(10203.64)	(6908.03)	(5,880.22)
Net Cash from/(used in) financing	377534.45	(2079.82) 1,72,594.62	(1264.84)	(999.34)
activities (C)			66,588.19 (

For SHRIRAM CITY UNION FINANCE LTD.,

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Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1466.32)	3,175.75	(78,349.70)	(59,442,47)
Cash and cash equivalents at the beginning of the year	42283.06	39107.31	1,17,457.01	1,76,899.48
Cash and cash equivalents at the end of the year	43749.38	42,283.06	39,107.31	1,17,457.01
Components of Cash and Cash Equivalents				
Cash on hand	5752.94	4,577.87	5,744.12	6,234.82
Balances with banks in				·
Current accounts	36963.52	35,367.01	26,802.58	22,739.31
Unpaid dividend accounts	82.92	73.18	60.61	49.53
Deposits with maturity of less than 3 months	950.00	2,265.00	6,500.00	88,433.35
Total Cash and Cash Equivalents	43749.38	42,283.06	39,107.31	1,17,457.01

10. KEY OPERATIONAL AND FINANCIAL PARAMETERS STAND ALONE Rs. In lacs

Parameters Up to latest	As	on FY ended March	31 (Audited)	
	2017	2016	2015	2014
Networth	501181.38	450,494.53	408,712.30	2,87,501.41
Total Debt	1704197.92	1,440,837.00	1,240,213.00	1,204,913.00
of which - Non Current	981425.92	926,754.33	773,287.63	893,035.28
Maturities of Long Term				,
Borrowing				
- Short Term Borrowing	381301.95	100,027.58	117,745.08	38,355.37
-Current Maturities of Long	341470.05	414,056.17	349,180.58	273,522.57
Term Borrowing			,	.,
Net Fixed Assets	7816.10	8,485.00	8,226.00	10,142.00
Non-Current Assets	1055102.92	675,641.30	576,613.03	453,781.19
Cash and Cash Equivalents	63713.44	64,190.54	78,143.21	247,288.54
Current Investments	22915.89	33,548.53	72,788.69	45,910.00
Current Assets	1398543.24	1,401,315.91	1,218,963.00	1,174,389.30
Current Liabilities	818440.77	640,109.11	576,414.30	412,538.61
Asset under Management	2284692,40	19,57,582.00	16,70,643.00	1,466,795.00
Off Balance Sheet Assets	28507.21	43,962.61	97,123.00	1,93,797.00
Interest Income	433570.35	3,85,602.13	3,53,163.00	323,863.00
Interest Expenses	151100.33	243,283.55	223,674.00	207,457.00
Provisioning & Write-offs	91052.60	61,634.33	45,380.39	38,419.37
Gross NPA (%)	6.73%	5%	3%	3%
Net NPA (%)	1.89%	2%	1%	1%
Fier I Capital Adequacy Ratio (%)	22.22%	23.36	24.80	13.76
Fier II Capital Adequacy Ratio	1.66%	2.78	4.23	3.64
(%)			0	5.01
Debt Equity Ratio before the Issue	3.39		3.15	
As on March 31, 2017)				
Debt Equity Ratio after the Issue			3.15	
PBT (In Lakhs)	85364.26	80,684.25	84,108.70	77986.36
PAT (in Lakhs)	55605.99	52,978.03	55,806.39	52114.32
Dividend Declared (Rs) *	15	15	15	10

For SHRIRAM CITY UNION FINANCE LTD.,

Authorised Dignatory

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*Includes Interim dividend a	and final	dividend on	equity shares	of \10 each
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11. RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST THREE FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER INCLUDING WITH REGARD TO LOANS MADE OR, GUARANTEES GIVEN OR SECURITIES PROVIDED:

Particulars				For the FY	ended on N	Jarch 31 (An	dited)		
		rises having s ice over the C		For the FY ended on March 31 (Aud Subsidiaries			Key Managerial Person		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Payments/Expenses	<u> </u>	†		†	+	+		+ 2010	12013
Royalty to SOT	4908.45	4,321.01	2,479.88	 -		 	 -	+ _ -	
Data Sourcing Fees to SOT		-	1	- -	+	 -		 -	
Service Charges to SOT		T -	 -		+ -	 	 		
Reimbursement of rent and other expenses to SCL	476.49	349.02	208.27	-		 - -	-	 -	-
License fees to SHFL	2203.75	2,137.36	1,916.89		+	+	 		
Rent and other expenses to SHFL		 		296.87	160.08		<u> </u>	 -	-
Loan given to SHFL		† 	+	270.57	+	156.56	ļ	<u> </u>	<u> </u>
Payment of Loan given by SHFL		 	 -		 -	14,200.00	<u> </u>		<u> </u>
nterest on Borrowings from			+ :-		 - -	7,400.00 18.66	<u>-</u>	 	ļ. <u>.</u>
SHFL		1	1	_	_	18.00		-	-
Equity Dividend to SRHPL		 	† _		+	 			<u> </u>
Equity Dividend to SCL	3340.34	3451.68	2338.23		+ - -	<u> </u>		 	<u> </u>
Equity Dividend to Dynasty	2013.28	2,080.39	-		 - 	 		 	<u> </u>
Acquisition FPI Limited		1	1] -	l - 1	-	-	-
equity Dividend to TPG India		-	1,409.30		-	 _		 	
nvestments I INC			'			-	-	-	•
equity Dividend to Piramal	986.98	1,019.88	690.88		 _	 -	-	 	
interprises Limited							•	-	-
ayments to Key Managerial		-				 	103.99	114.70	151 5-
ersonnel					1	1 - 1	103.33	114.38	171.77
Receipts			 		 	 		 -	<u> </u>
Commission and sublease income-		-	 		295.36	298.60			
HFL					293.30	290.00	-	_	•

For SHRIRAM C.TY UNION FINANCE LTD.,

Authorised Signatory

Reimbursements of expenses- SHFL		-	-	31.13	23.76	8.72	-	 	T -
Repayment of Loan-SHFL		- -	+ -	 		14,200.00		<u> </u>	
Interest on Loan-SHFL		 	†	 	 	155.42		 	
Loan from SHFL				 		7,400.00	-	 	 -
Sale of land	- - -	† -	+	 -	+	0.28		<u> </u>	
Conversion Warrents into equity/securities premium -SCL		 	-	 -	 	0.28	- :	-	-
Balance outstanding as at		1	 			+		 	
Share Capital held by SCL	2226.89	2226.89	2226.89	 	 	 	 -	 _ :	-
Share Capital held by Dynasty Acquisition FPI Limited	1342.19	1,342.19	-	<u> </u>	 -	+		-	-
Share Capital held by TPG India Investments I INC	- "	-	1,342.19	-	 -		-	-	-
Share Capital held by Piramal Enterprises Limited	657.98	657.98	657.98		-	 - 	-	 -	-
Investments in SCL	329.62	 	 	 	 	 		 	
Investment in shares of SHFL		 	 	16,544.00	16,544.00	16,544.00		 	
Security deposits with SHFL	- ' . '	 	 	117.38	117.38	117.38	<u> </u>	-	<u> </u>
Outstanding receivables SHFL	· · · · ·	† ·	 	- 117.50	43.74	117.36		ļ <u> </u>	·
Outstanding Payables SHFL		-	•	25.04	0.54	0.71		<u>-</u>	-
Outstanding expenses SCL		14.40	11.83	-	<u> </u>		_		
Outstanding Expenses SOT		503.90	-			<u> </u>	.	-	-

SCL-Shriram Capital Limited, SOT-Shriram Ownership Trust, SHFL-Shriram Housing Finance Limited, SRHPL -Shriram Retail

Holdings Private Limited.

12. ANY CHANGE IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY:

During the financial year ended March 31,2014, the revised Schedule VI notified under Companies Act 1956 during the year 2011-2012, become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

During the financial year ended March 31,2015, the revised Schedule III notified under the Companies Act 2013 become applicable to the Company, for preparation and presentation of its financial assets. The adoption of revised Schedule III does not impact recognition and measurement principles followed for preparation of financial statements. However, there is a change in method of calculation of depreciation under schedule II of the Companies Act 2013. Accordingly depreciation has been calculated based on said schedule II, impact of such change has been disclosed in Note 9 to the financial statements.

During the financial year ended on March 31, 2016 pursuant to RBI notification no DNBR 011/CGM (CDS) dated March 27,2015, the Company has revised its recognition norms of Non Performing Assets (NPA) from 180 days to 150 days and increased provision on standard assets from 0.25% to 0.30%. As a result of the above change, total amount of provision inclusive of income de recognition in this respect increased by Rs 17,700 lacs with a consequent impact on Profit before tax for the year ended March

VIII: LEGAL AND OTHER INFORMATION

1. DETAILS OF ANY ACQUISITION OR AMALGAMATION FOR THE LAST ONE YEAR:

No acquisitions or amalgamations by or in the Company during the period of one year.

2. DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION FOR THE LAST ONE YEAR:

No reorganization or reconstructions by or in the Company during the period of one year.

3. DETAILS OF ANY LITIGATION OR LEGAL ACTION PENDING OR TAKEN BY ANY MINISTRY OR DEPARTMENT OF THE GOVERNMENT OR A STATUTORY AUTHORITY AGAINST ANY PROMOTER OF

For SHRIRAM CITY UNION FINANCE LID.,

Ruthorised Signatory

THE ISSUING COMPANY DURING THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE CIRCULATION OF THE OFFER LETTER AND ANY DIRECTION ISSUED BY SUCH MINISTRY OR DEPARTMENT OR STATUTORY AUTHORITY UPON CONCLUSION OF SUCH LITIGATION OR LEGAL ACTION SHALL BE DISCLOSED

Our Company is involved in legal proceedings, which have arisen in the ordinary course of business, there are no litigation or legal action against our Company and Promoters that have adverse material effect on our business.

4.DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF OFFER LETTER IN THE CASE OF COMPANY AND ALL OF ITS SUBSIDIARIES. ALSO IF THERE WERE ANY PROSECUTIONS FILED (WHETHER PENDING OR NOT) FINES IMPOSED, COMPOUNDING OF OFFENCES IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF THE OFFER LETTER AND IF SO, SECTION-WISE DETAILS THEREOF FOR THE COMPANY AND ALL OF ITS SUBSIDIARIES

There are no inquiries, inspections or investigations initiated or conducted under the Companies Act 2013 or Companies Act 1956 against the Company and Subsidiary Company of the Company during the last three years.

5. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY:

There are no material frauds committed against the Company during the last three years. However certain borrowers/employees have defrauded the Company by pledging stolen/spurious gold against gold loans and producing fake documents against other loans total amounting to Rs 222.98 lakhs during the FY ended on March 31, 2016 (March 31,2015: Rs 242.91 lakhs)

6.DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENT OF INTEREST AND PRINCIPAL OF ANY STATUTORY DUES, DEBENTURES, DEPOSITS, LOANS FROM ANY BANK OR FINANCIAL INSTITUTION KIND OF TERM LOANS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY IN THE PAST FIVE YEARS.

S. No	Particulars of default	Amount involved	Duration of default if any	Present Status of statutory dues
1.		Nil		
	· · · · · · · · · · · · · · · · · · ·			

7. DETAILS OF ANY WILFUL DEFUALT

There is no wilful default by the Issuer or the directors of the Issuer.

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IX: DECLARATION

The Issuer Company undertakes that:

DECLARATION

We, the undersigned, hereby declare that.

- a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.
- b) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of NCDs, if applicable, is guaranteed by the Central Government.
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.
- d) Shelf Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

For Shriram City Union Finance Limited

Smt Krithika Doaiswamy **Authorised Signatory**

Authorised Signatory

X: ANNEXURES

A. Consent Letter from the Debenture Trustee



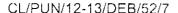
B. Credit Rating rationale adopted/Credit Letter issued

SCUF_ Rs. 500 cr NCD letter.pdf NCD Rating rational

For SHRIRAM CITY UNION FINANCE LTD.

Authorised Signatory





13.10.2017

Mr. C.R. Dash,
Company Secretary,
Shriram City Unioin Finance Ltd.,
221, Royapettah High Road, Mylapore
Chennai – 600 004

Dear Sir.

Re: Debenture Trusteeship for the proposed issue of Secured Non Convertible Debentures of Rs.500 Crore. (Series VII Tranche 7)

We refer to your letter dated 13.10.2017 informing that your company proposes to issue Secured Redeemable Non-Convertible Debentures of Rs.500 crore under Sr. VII Tranche 7 on private placement basis.

We hereby convey our acceptance to act as Debenture Trustees for the said issue of Secured Redeemable Non-Convertible Debentures of Rs.500 crore.

Assuring you the best professional services.

Thanking you,

Yours faithfully,

J.B. Salawado

Authorised Signatory





CARE/CRO/RL/2017-18/1349

Mr. R Chandrasekar Chief Financial Officer, Shriram City Union Finance Limited 221, Royapettah High Road, Mylapore, Chennai- 600004

October 23, 2017

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs.500 crore of your company. The proposed NCDs would have tenure upto 3 years.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
Proposed Non-Convertible	500	CARE AA+; Stable	Assigned
Debenture issue	(Rs. Five hundred	(Double A Plus; Outlook	
ţ	crore only)	Stable)	

- Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (that is October 17, 2017).
- 4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.
- 5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument	ISIN	Issue	Coupon	Coupon	Terms of	Redemption	Name and	Details
type		Size	Rate	Payment	Redemption	date	contact	of top 10
		(Rs		Dates		i	details of	investors
		cr)		1 1			Debenture	
						ļ	Trustee	4.,

 $^{^4}$ Complete definitions of the ratings assigned are available at $\underline{www.coreratings.com}$ and in other CARE publications.

CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)

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Harrison Carrier



- 6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.
- 7. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible.
- 8. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
- 9. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required b. CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
- 10. Users of this rating may kindly refer our website <u>www.careratings.com</u> for latest update on the outstanding rating.
- 11. CARE ratings are not recommendations to buy, sell or hold any securities.

<u>P</u>s

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

Parthiban V

Manager

parthiban.v@careratings.com

R. Rariebarken

Ravi Shankar R Deputy Manager

Ravi.s@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

Annexure Press Release

Ratings

Facilities	Amount (Rs.cr)	Ratings	Rating Action
Non-Convertible Debenture (Proposed)	500	CARE AA+; Stable [Double A Plus; Outlook; Stable]	Assigned
Total	500 (Rupees Five Hundred crore only)		· · · · · · · · · · · · · · · · · · ·

Details of instruments/facilities in Annexure-1

Rating Rationale

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd (SCUF) continues to factor in strength from the position of SCUF as a niche player in the rural and semi-urban market offering diversified asset financing products, its strong resource raising ability with diversified funding base and comfortable liquidity profile, comfortable capital adequacy revels and healthy profitability indicators amidst the increase in credit cost during the last two years ended March 31, 2017. The rating further factors in the experienced management team and the benefits derived from being part of the Shriram group which has significant presence in the domestic financial services sector. The rating takes note of the moderation in asset quality and increase in provisions during the last two years ended March 31, 2017, mainly due to change in non-performing asset (NPA) recognition norms. The rating is, however, constrained by the regional concentration of its asset partfolio and the risk associated with its customer base which is relatively less organised. The ability of the company to geographically diversify its asset base and to maintain its asset quality amidst the change in NPA recognition norm to 90 dpd as on March 2018 will be the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Benefits derived from being part of the Shriram group

Chennal-based Shriram group came into existence in 1974. The group ventured into financial services industry through Chit fund business more than three decades ago. With strong foundation in the Chit fund business, the group diversified into other segments of financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and Financial product distribution. Being part of the Shriram group, SCUF has access to a vast client base and network of the group.

SCUF's management is largely from Shriram group's other businesses and has significant experience in small ticket retail financing in the semi-urban and rural areas. SCUF has an experienced senior management team headed by Mr R. Duruvasan as the managing director (who has been serving Shriram group for more than three decades).

Niche player in rural and semi-urban morket with regional concentration

SCUF's loan portfolio is mainly concentrated in four states with Andhra Pradesh, Telangana, Tamil Nadu and Maharashtra. SCUF has a significant presence in the rural and semi-urban market which consists of relatively less banked/unbanked segment and customer segment of SCUF is relatively less organised. However, as a majority of its customers are associated with the Shriram group, their long credit history with the group enables SCUF to mitigate the risk to an extent. However, SCUF's operations will remain concentrated in South India.

Diversified product portfolio



SCUF has a diversified product portfolio in the retail finance segment with strong focus on small business loans. In the past few years, the company increased its focus on SBL segment. SBL segment as a percent of AUM remained at 55% as on March 31, 2017 (54% as on March 31, 2016). 2-Wheeler loans (2W) remained at 18% of AUM as on March 31, 2017 (18% as on March 31, 2016). LAG as a percentage of AUM remained at 15% as on March 2017 (17% as on March 31, 2016).

Comfortable capital adequacy levels

SCUF's capitalisation is supported by continuous equity infusion in the past. Total CAR stood at 23.91% as on March 31, 2017 (26.14% as on March 31, 2016) and Tier I CAR stood at 22.25% as on March 31, 2017 (23.36% as on March 31, 2016).

Healthy profitability indicators

During FY17, the total income grew by 15% with improvement in interest spread and NIM due to company's continuing focus on S8L segment where the yield is generally higher and reduction in the rost of borrowing. Interest spread has improved from 9.10% in FY16 to 9.72% in FY17 and NIM has improved from 12.90% in FY16 to 12.34% in FY17. Operating profit before Provisions and Tax increased from Rs.1,423 crore in FY16 to Rs.1,764 crore in FY17. The PAT has increased from Rs.530 crore in FY16 to Rs.556 crore in FY17.

Key Rating Weaknesses

Moderation in asset quality during FY17 primarily due to changes in NPA recognition norms

SCUI's borrower profile is majorly under banked segments. The asset quality parameters have seen moderation in the last 3 years primarily in the SBL, LAG and 2W segments. SCUF has reported GNPA of 6.73% and NNPA of 1.79% as on March 31, 2017(120 dpd) as against GNPA of 5.15% and NNPA of 1.56% as on March 31, 2016 (150 dpd). As per changes in regulation, SCUF has moved to NPA recognition from 150 dpd to 120 dpd as on March 2017. On comparable basis (120 dpd), SCUF's GNPA was 6.27% as on March 31, 2016.

Analytical Approach Followed-Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE's Policy on Default Recognition

CARE's methodology for short term instruments

Ratios Financial Sector

Rating Methodology - Non Banking Financial Companies

About the company

SCUF was incorporated in 1986 under the name of Shriram Hire Purchase Finance Ltd. SCUF went public in 1994 and is registered as a Deposit Accepting Non-Banking Finance Company (NBFC) with the Reserve Bank of India (RBI).

SCUF started operations in 1986 with truck financing and was in this segment tifl 2002 when it expanded into rotall financing. Presently, SCUF has presence in the following business segments—Small Business Loans (SBL), 2-Wheeler Loans (2W), Loan against Gold (LAG), Auto Loans (AL) and Personal Loans (PL). During FY17, SCUF has reported a PAT of Rs.556 crore on a total income of Rs.4,434 crore as against a PAT

of Rs.530 crore on a total income of Rs.3,856 crore in FY16.

, Brief Financials (Rs. crore)	FY1G (A)	FY17 (A)
Total income	3,856	4,434
PAT	530	556
Interest coverage (times)	1.58	1.56
Total Assets	20,803	24,484
Net NPA (%)	1.56*	1.79*



2.73

2.46

A-Audited

#NPA recognition policy has been changed from 180dpd to 150dpd as on March 31, 2016.
*-NPA recognition policy has been changed from 150dpd to 120dpd as on March 31, 2017.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.coreratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact Name, Mr Sudhakar P Tel: 044-2849 7812 Mobile: 94422 28580

อักกลปา p sughakar@careratings com

**For detailed Rationale Report and subscription information, please contact us at www.careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is groud of its rightful place in the Indian capital market bullt around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer



CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/dullooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuraty, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, cased on the amount and type of bank facilities/instruments.

in case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in tase of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Instrument	Issuance	Coupon Rate	Maturity Date	Size of the issue	Rating assigned along with Rating
Non Convertible		. — — —		(Rs. crore)	Outlook
Debentures	•	-		500.00	(CARE AA+, Stable

Annexure-2: Rating History of last three years

Sr. No.		l	Current Ratio	igs		Rating hist	orv	
	Instrument/Bani Facilities	Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in	Date(s) & Rating(s) assigned in 2014-2015
1.	Fixed Deposit		10.00	CARE AA+ (FD); Stable	1)CARE AA+ (FD Stable (07-Jul-17)): 1)CARE AA+ (FD) Stable (10-Mar-17) 2)CARE AA+ (FD) (12-Jul-16)	(FD) (14-Jul-15)	1)CARE AA+ (FD) (25-Jul-14)
	Debentures-Non Convertible Debentures	LT	-		-	1)Withdrawn (06-Oct 16) 2)CARE AA+ (06-Apr 16)		1)CARE AA (
ļ	Debentures Non Convertible Debentures	LT	-			1)Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	-	1)CARE AA+ (25-Jul-14)
,	Debentures-Non Convertible Debentures	נד	35.67	AA+;	1)CARE AA+; Stable {07-Jul-17}		1)CARE AA+ (14-Jul-15)	
	Commercial Paper	ST					1)CARE A1+ (14-Jul 15)	
,C	ebentures-Non onvertible ebentures	LT					1)CARE AA+1 14-Jul-15) (



7.	Debentures-Non Convertible Debentures	LT				1}Withdrawn (06-Oct-16) 2)CARE AA+ (06-Apr-16)	- 1]CARE AA+ (25-Jul-14)
8.	Debt-Subordinate Debt	LT	145.35	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+1)CARE AA+ (14-Jul-15) (25-Jul-14)
9	Debentures-Non Convertible Debentures	LT	31.50	CARE AA+; Stable	1)CARE AA-; Stable (07-Jul-17)	1)CARE AA+, Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ 1)CARE AA- (14-Jul-15) (25-Jul-14)
10.	Debt-Subordinate Debt	LT	100.00	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+1)CARE AA+ (14-Jul-15) (25-Jul-14)
11.	Debentures-Non Convertible Debentures	LT	111.16	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul 16)	1)CARE AA+1)CARE AA+ (14-Jul-15) (25-Jul-14)
12	Debt-Subordinate Debt	LT	60.00	CARE AA+; Stable	IJCARE AA+, Stable (07-Jul-17)	1)CARE AA+, Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+ 1)CARE AA+ (14 JUI-15) (25-JUI-14)
13.	Debentures-Non Convertible Debentures	LT	85.60	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul 16)	1)CARE AA+ 1)CARE AA+ (14-Jul-15) (25-Jul-14)
	Debentures-Non Convertible Debentures	LT	95.15	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (12-Jul-16)	1)CARE AA+1)CARE AA+ (14-Jul-15) (25-Jul-14)
	Debentures-Non Convertible	LT !	100.00	CARE AA+,	1)CARE AA+, Stable	1)CARE AA+; Stable	1)CARE AA+1)CARE AA- 14 JUI-15) 477-Mar



Debentures	- -						
	:		Stai 	ble (07-Jul-17	(10-Mar-17) 2)CARE AA+ (12 Jul-16)		15)
16. Debentures-N Convertible Debentures	· von			- (1)Withdray (07-Jul-17)	WD 1)CARE AA+	1)CARE AA+ (14-Jul-15) (2)CARE AA+ (08 Jun-15)	:
17. Debentures-No Convertible Debentures	1 	100.0	O CARE	Stable		1)CARE AA+ (14-Jul-15) 2)CARE AA+ (17-Jun-15)	- -
18 Debentures-No Convertible Depentures	1 1 1 2	- <u>-</u> .	·	1)Withorawi (07 Jul 17) :	1:CARE AA+, Stable (10-Mar 17) (2)CARE AA- (12-Jul-16)	195ART AA. (22-Jun-15) }	
19. Debentures Nor Convertible Debentures	:	2,70	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) (2)CARE AA- (12-Jul-16)	1)CARE AA+ (22-Jul-15)	:
20. Debentures Non Convertible Debentures		35.00	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) I2)CARE AA+ (12 Jul-16)	 1)CARE AA+ (18-Aug-15)	<u>.</u>
22. Debentures Non	, I.T	75.00		1KARE AAF) stable 197 (01.17)	MCARE AAA atania (16-Mar 17, 2)CARE AA+ (12-Jul-16)	100706 No. 7 100 Nov. 15.	
Convertible Debentures	LT ,	175 00	AA+; 5 Stable (1)CARE AA+; Stable 07-Jul-17)	1)CARE AA+; Stable (10-Mar-17) 2)CARE AA+ (27-Jul-16)		- !
23 Depentures-Non Convertible Debentures	LT 	100.00	AA+; 51)CARE AA+; lable)7-Jul-17)	1)CARE AA+; Stable 10-Mar-17)		

		<u> </u>					
	·	i	1	1	İ	2)CARE AA+ (07-0ct 16)	-
24. 	Debentures Non- Convertible Debentures	 	[]::5loo	CARI AA- Stable	LICARE AA+ Stable (07-Jul-17)	1)CARF AA (Stable (10 Mar-17)	
25.	Debentures Non Convertible Debentures	LT	355 00	CARE AA+; Stable	1)CARE AA+; Stable (07-Jul-17) 2)CARE AA+; Stable (26-Jun-17)		
	Debentures-Non Convertible Debentures	LT : ! ! ! ! ! ! ! ! ! ! ! ! ! ! ! ! ! !	135.00	CARE AA+; Stable	1)CARE AA+; IStable (07-Jul-17) 2)CARE AA+; Stable (26-Jun-17)	+ -	
i	Dabenturas-Non Convertible Debentures	.T -	500.00	CARE AA+	· -	· - !	- C





CARE/CRO/RR/2017-18/1232

Mr. R Chandrasekar Chief Financial Officer, Shriram City Union Finance Limited 221, Royapettah High Road, Mylapore, Chennai- 600004

October 23, 2017

Dear Sir,

Credit rating of proposed Non-Convertible Debenture issue

Please refer to our letter dated October 23, 2017 on the above subject.

- The rationale for the rating is attached as an Annexure t.
- 3. We request you to peruse the annexed documents and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 24, 2017, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

Ravi Shankar R Deputy Manager

R. Pardenter

Encl: As above

CARE Ratings Limited (Formerly known as Credit Analysis & Research Limited)

Annexure-I

Rating Rationale

Shriram City Union Finance Limited

Facilities	Amount (Rs.cr)	Ratings ¹	Rating Action
Non-Convertible Debenture (Proposed)	500	CARE AA+; Stable [Double A Plus; Outlook; Stable]	Assigned
Total	500 (Rupees Five Hundred crore only)		

Rating Rationale

The rating assigned to the proposed Non-Convertible Debenture issue of Shriram City Union Finance Ltd. (SCUF) continues to factor in strength from the position of SCUF as a niche player in the rural and semi-urban market offering diversified asset-financing products, its strong resource raising ability with diversified funding base and comfortable liquidity profile, comfortable capital adequacy levels and healthy profitability indicators amidst the increase in credit cost during the last two years ended March 31, 2017. The rating further factors in the experienced management team and the benefits derived from being part of the Shriram group which has significant presence in the domestic financial services sector. The rating takes note of the moderation in asset quality and increase in provisions during the last two years ended March 31, 2017, mainly due to change in non-performing asset (NPA) recognition norms. The rating is, however, constrained by the regional concentration of its asset portfolio and the risk associated with its customer base which is relatively less organised. The ability of the company to geographically diversify its asset base and to maintain its asset quality amidst the change in NPA recognition norm to 90 dpd as on March 2018 will be the key rating sensitivities

Background

B

SCUF was incorporated in 1986 under the name of Shriram Hire Purchase Finance Ltd. SCUF went public in 1994 and is registered as a Deposit Accepting Non-Banking Finance Company (NBFC) with the Reserve Bank of India (RBI).

SCUF started operations in 1986 with truck financing and was in this segment till 2002 when it expanded into retail financing. Presently, SCUF has presence in the following business segments

- Small Business Loans (SBL), 2-Wheeler Loans (2W), Loan against Gold (LAG), Auto Loans (AL) and Personal Loans (PL).

Credit Risk Assessment Benefits derived from being part of the Shriram group

Chennai-based Shriram group came into existence in 1974. The group ventured into financial services industry through Chit fund business more than three decades ago. With strong foundation in the Chit fund business, the group diversified into other segments of financial services industry including Commercial Vehicle Finance, Consumer & Enterprise Finance, Life & General Insurance and Financial product distribution. The group's Financial Services Businesses manages assets exceeding Rs.90,000 crore with 3,000 business outlets across India. Being part of the Shriram group, SCUF has access to a vast client base and network of the group. Other major companies of the group include Shriram Transport Finance Company Ltd. *Irated *CARE* AA+* for its various series of debt instruments*). As on March 31, 2017, the promoter group companies held 33.78% stake in SCUF.

SCUF's management is largely from Shriram group's other businesses and has significant experience in small ticket retail financing in the semi-urban and rural areas. SCUF has an experienced senior management team headed by Mr R. Duruvasan as the managing director (who has been serving Shriram group for more than three decades) and Mr R. Chandrasekar as CFO (having experience of more than 30 years).

Niche player in rural and semi-urban market with regional concentration

SCUF's loan portfolio is mainly concentrated in four states with Andhra Pradesh, Telangana, Tamil Nadu and Maharashtra. SCUF has a significant presence in the rural and semi-urban market which consists of relatively less banked/unbanked segment and customer segment of SCUF is relatively less organised. However, as a majority of its customers are associated with the Shriram group, their long credit history with the group enables SCUF to mitigate the risk to an extent. 'Others' segment (consisting of Northern and Western India) is growing significantly. However, SCUF's operations will remain concentrated in South India.



Diversified product portfolio

SCUF has a diversified product portfolio in the retail finance segment with strong focus on small business loans. In the past few years, the company increased its focus on SBL SBL segment as a percent of AUM remained at 55% as on March 31, 2017 (54% as on March 31, 2016). 2-Wheeler loans (2W) remained at 18% of AUM as on March 31, 2017 (18% as on March 31, 2016). With fluctuations in gold prices in the last few years, SCUF is consciously maintaining the share of LAG at less than 20% of AUM. LAG as a percentage of AUM remained at 15% as on March 2017 (17% as on March 31, 2016).

In FY17 (refers to the period April 01 to March 31), overall loan portfolio witnessed 20% growth aided by growth across all the segments. Going forward, the company's concentration would continue on SBL along with maintaining its share on 2W and LAG segment.

Comfortable capital adequacy levels

SCUF's capitalisation is supported by continuous equity infusion in the past. Total CAR stood at 23.91% as on March 31, 2017 (26.14% as on March 31, 2016) and Tier-I CAR stood at 22.25% as on March 31, 2017 (23.36% as on March 31, 2016).

Healthy profitability indicators

During FY17, the total income grew by 15% with improvement in interest spread and NIM due to company's continuing focus on SBL segment where the yield is generally higher and reduction in the cost of borrowing. Interest spread has improved from 9.10% in FY16 to 9.72% in FY17 and NIM has improved from 11.90% in FY16 to 12.33% in FY17. Operating profit before Provisions and Tax increased from Rs.1,423 crore in FY16 to Rs.1,764 crore in FY17. Due to change in the NPA recognition from 150 dpd to 120 dpd, there was an additional provisioning requirement, which resulted in increase in Provisions and Write-offs from Rs.616 crore in FY16 to Rs.911 crore in FY17. SCUF reported PAT of Rs.556 crore in FY17 (PY: Rs.530 crore). Though, there has been increase in the credit cost, healthy operating profit margins provides comfort.

Comfortable liquidity profile and access to diverse source of funding

SCUF has a diversified resource profile with both retail as well as institutional borrowings. SCUF's brand image in South India enables it to mobilise long-term funds in the form of NCDs and subordinated debt from retail customers. Long-term Funds accounted for 76% of total



liabilities as on March 31, 2017. SCUF has a consistent zero cumulative mismatch in less-than-one-year maturity bucket.

Moderation in asset quality during the last two years ended FY17 primarily due to changes in NPA recognition norms

SCUF's borrower profile is majorly the under banked segments and it primarily focuses on offering small enterprise financing to self-employed customers in semi-urban and rural areas. The asset quality parameters have seen moderation in the last 3 years primarily in the SBL LAG and 2W segments. SCUF has reported GNPA of 6.73% and NNPA of 1 79% as on March 31, 2017 (120 dpd) as against GNPA of 5.15% and NNPA of 1.56% as on March 31, 2016 (150 dpd). As per changes in regulation, SCUF has moved to NPA recognition from 150 dpd to 120 dpd as on March, 2017. On comparable basis (120 dpd), SCUF's GNPA was 6.27% as on March 31, 2016. Due to demonetization, there was an impact in the short term and SCUF had availed RBI dispensation for NPA reporting in December Quarter.

Prospects

Supported by well-experienced management and the group's significant presence in the financial services industry, SCUF has grown its business significantly in the past few years. SBL, key focus area of SCUF continues to witness healthy growth rates. The asset quality witnessed moderation in the past two years ended FY17. With aggressive provisioning policy followed, net NPA levels remain low. In light of change in NPA recognition norm to 90 dpd as on March 31, 2018, ability of SCUF to improve asset quality and contain credit cost will be the key rating sensitivities.



FIDD	DCID!	Darta	
	III WILLIAM	reno	rmance

As on / Year ended March 31	2015	2016	2017
Working Results	(12m, <u>A)</u>	(12m, A)	(12m, A)
Interest Income			
Securitization Income	3,205	3,650	4,28
Other operating income	124	66	4
Other Income	106	56	5
Total Income	97	84	5
Operating expenses	3,532	3,856	4,43
Total Provision / Write offs	909	1,049	1,13
Depreciation	454	616	91
Interest	43	37	3.
PBT	1,343	1,383	1,534
PAT	841	807	854
Financial position	558	530	556
Tangible Net worth			
Total Borrowings	4,063	4,460	4,976
Total Loan portfolio	12,402	14,408	17,042
	15,746	19,024	22,847
Total Assets (on balance sheet)	18,000	20,803	24.484
Assets Under management (AUM) Key Ratios (%)	16,717	19,576	23,132
Solvency			
Overall Gearing (times)	3.05	3.23	3.42
Capital Adequacy ratio (CAR) (%)	29.03	26.14	23.91
Tier I CAR (%)	24.8	23.36	22.25
nterest Coverage (times)	1.63	1.58	1.56
Profitability (%)			
Net Interest Margin	11.36	11.90	12.33
ROTA	3.25	2.73	2.46
Operating expenses / Avg. total assets	5.05	5.04	4.64
Asset Quality (%)			7.0-7
Gross NPA Ratio	3.125	5.15"	6.73*
Vet NPA Ratio	0.685	1.56*	1.79*
let NPA to Net worth	2.57 ^{\$}	6.54*	8.24*

S 180 dpd NPA recognition policy; # 150 dpd NPA recognition policy; * 120 dpd NPA recognition policy Note: Ratios have been computed based on average of annual opening and closing halances NIM has been calculated as net interest income/ average annual total asset.

Disclaimer

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