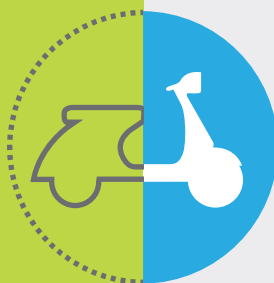


Expanding



Opportunities

Driving



Futures

## SUPPORTING THE UNDERSERVED.

Fulfilling



Ambitions

Building



Assets

# CONTENTS OF THIS REPORT

## CORPORATE OVERVIEW

- 02 Nurturing aspiring entrepreneurs
- 06 A promise called Shriram City
- 07 Strategic imperatives
- 08 Key performance indicators
- 12 Robust operating architecture
- 14 Customers to loyal partners
- 16 New-age technology infrastructure
- 18 In step with community aspirations

## GOVERNANCE REPORTS

- 20 Report of the Board of Directors
- 27 Report on Corporate Governance
- 43 Management Discussion and Analysis

## FINANCIAL STATEMENTS

- 80 Standalone Financial Statements
- 134 Consolidated Financial Statements

### Listing codes

BSE: 532498

NSE: SHRIRAMCIT

## FORWARD-LOOKING STATEMENTS

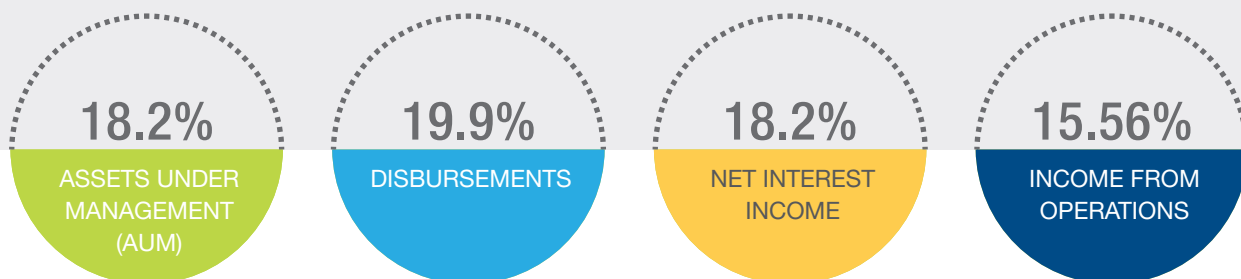
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements

by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



For more details, please visit:  
[www.shriramcity.in](http://www.shriramcity.in)



Y-o-Y growth in 2016-17 over 2015-16

India is now on the cusp of an interesting inflection.

It is by common consensus one of the most dynamic economies of the world; and global businesses are vying with each other to be a part of the momentum. The Government of India (GoI) is implementing several reforms to enhance the ease of doing business in India for both domestic and foreign investors.

While this picture generates a lot of optimism, India still holds a rich reservoir of grassroots entrepreneurship and enterprise that needs to be empowered. At Shriram City, we are acting on this specific mandate.

We are helping micro, small and medium enterprises meet their diverse credit requirements. We evaluate their capabilities, based on the income they generate and their potential for future growth. We are backing our words with solid actions on ground, and our progress so far has been impressive.

During FY 2016-17, we consolidated our market reach deeper and wider across semi-urban and rural India.

We also enhanced our brand prominence through multiple customer-connect programmes.

We strengthened our technology infrastructure for enhanced scale, faster decision-making and better customer service.

Technology is also helping us reach more customers and markets with speed and precision.

Our energetic team is reaching out to more customers, listening to their aspirations, and handholding them in the best way they can.

This, in brief, is the world of Shriram City, where supporting the underserved is the overriding credo and commitment.

# NURTURING ASPIRING ENTREPRENEURS

Micro, small and medium enterprises contribute significantly to India's inclusive socio-economic growth. Enabling these enterprises is therefore an attractive opportunity for us at Shriram City.

Ever since inception in 1986, we have gradually emerged as one of India's trusted financial services companies. We are a part of the four decade-old Shriram Group, which has a strong presence in financial services in India. This includes financing of commercial and passenger vehicles, and two-wheelers, small enterprise finance, loans against gold, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products.

Shriram Group also has a growing presence in other businesses, such as property development, engineering projects and information technology. We leverage the ecosystem of the Group to strengthen our brand and customer base.



## VISION

Serving the underserved. Creating value at the bottom of the pyramid.



## MISSION

Striving to serve the largest number of common people through quality non-banking financial services.

## GROWING CUSTOMER BASE

As a deposit-accepting non-banking financial company (NBFC), we cater to the financing needs of small enterprises and retail customers, who constitute a significant part of our customer base.



## CORE VALUES

### Being Trustworthy

Ensuring that the Shriram City brand continues to be among the most trusted in India.

### Being Responsive

Disseminating affordably-priced financial services to customers and locations most in need of them, in a timely manner.

### Being Creative

Customising product offerings and solutions to meet customers' requirements.

### Building Relationships

Fostering long-term relationships with customers and the community at large.

### Encouraging Entrepreneurship

Supporting the efforts of small business owners to prosper and to think big.

## PRODUCT RANGE



### ENTERPRISE FINANCE

- ➔ We offer customised loans to the small and medium enterprise finance as growth capital to empower them to realise their potential in a rapidly developing economy.
- ➔ Small enterprises segment comprises self-employed professionals, wholesale and retail dealers, merchants, builders, small and medium scale manufacturing concerns, catering services and tour operators, among others.



### TWO-WHEELER LOANS

- ➔ We offer various options for financing the purchase of two-wheeler vehicles across manufacturers and brands.
- ➔ We possess widespread presence in dealer showrooms, and with preferred finance tie-ups with all two-wheeler brands in India, which gives us a distinct edge in the segment.
- ➔ Our executives man dealer showrooms (with a dedicated team to clear proposals), making it the quickest and most efficient financing option a customer can ask for.
- ➔ We focus on non-salaried customer segment in the harder to access semi-urban areas.



### LOANS AGAINST GOLD

- ➔ We offer loan against gold jewellery, primarily to individuals who possess gold jewellery but do not have access to formal credit within a reasonable time; or to whom credit may not be available at all, to meet their short-term requirements.
- ➔ We target customers who otherwise continue to rely on the unorganised sector for timely funding requirements.



### AUTO FINANCE

- ➔ We offer a variety of loans to finance the purchase of new and pre-owned passenger and commercial vehicles (three wheelers, four wheelers, used and new cars).



### PERSONAL FINANCE

- ➔ We offer personal loans to customer segments that do not have easy access to banks and similar institutions for speedy short or medium finance.
- ➔ We provide personal loans to its existing and old customers, as well as customers of other Shriram Group entities.



### HOME LOAN

- ➔ We provide housing finance to individuals through our subsidiary, Shriram Housing Finance Ltd. (SHFL). We offer housing finance loans for buying, renovating, extending and improving homes to prospective homeowners who remain underserved even today. SHFL is headquartered in Mumbai and has a pan-India presence.

## SHARPENING OUR COMPETITIVE ADVANTAGE

**1**

We have achieved 34% CAGR of Assets Under Management (AUM) in the last ten years.

**2**

We have successfully diversified our offerings and established the required infrastructure to fuel consistent future growth.

**3**

Over 80% of our branch network is located across semi-urban India with a huge potential for growth and consumption.

**4**

We have consistently performed with a clear focus on MSME sectors.

**5**

We are reinforcing our market leadership in the two-wheeler financing segment.

**6**

Our credit appraisal techniques are tailor-made to suit customer requirements.

**7**

Our stringent risk-management framework has enabled us to maintain good asset quality.

**8**

We have a locally drawn field force with in-depth insight of customers, enabling us to take right decisions.

**9**

Our governance structure is driven by a highly-focused management team, guided by a distinguished Board profile.

**10**

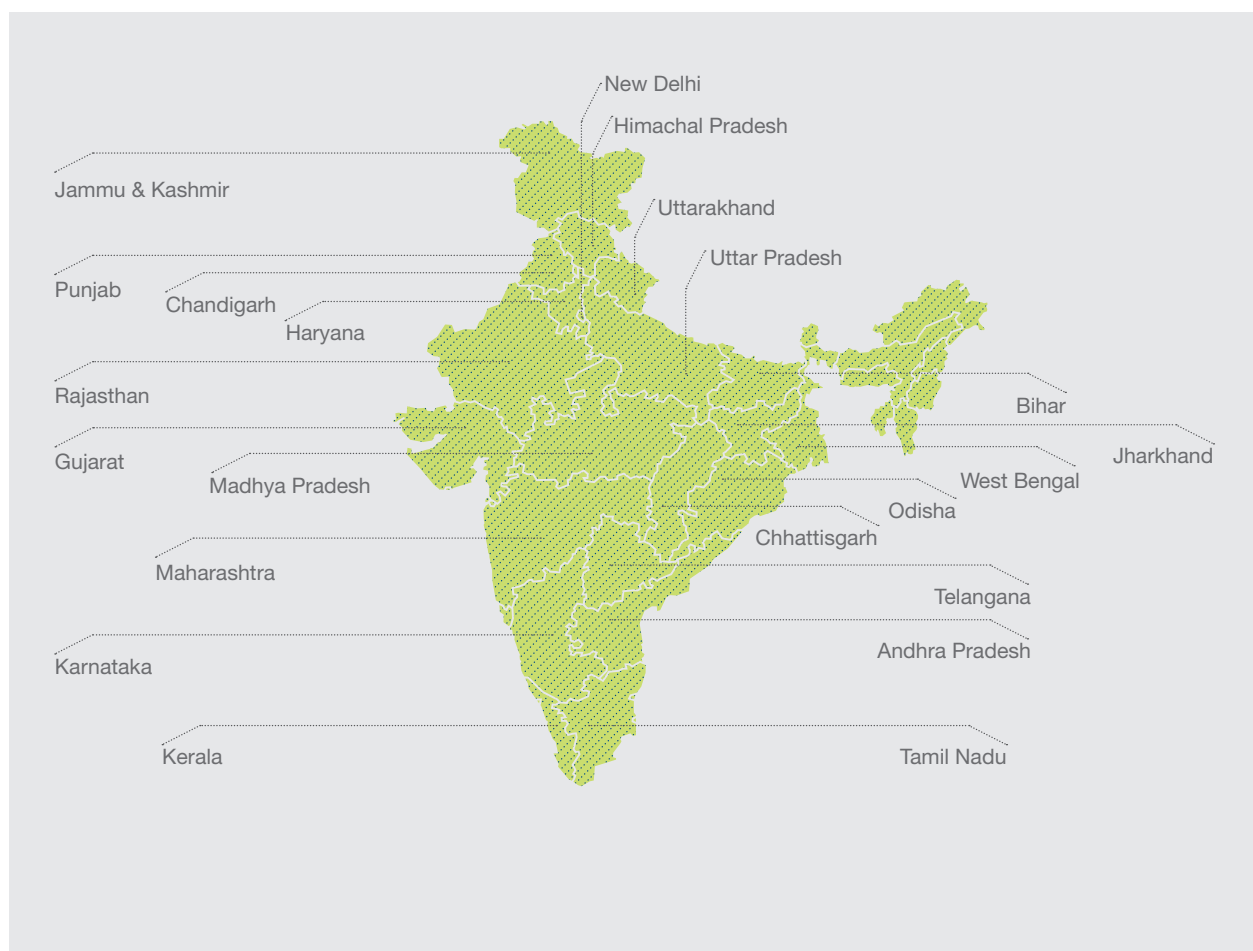
We have paid dividend consistently ensuring sustainable shareholder return.

## SOURCES OF FUNDS

We rely for our fund requirements on a variety of sources - loans from banks and institutions, fixed deposits, non-convertible debentures and money market borrowings. We have an optimum liability mix by diversifying our funding sources with a right mix of fixed / floating rate loans to match the asset profile.

## VISIBLE ACROSS INDIA

We have consistently grown our branch network across India. We are now present across 22 states, serving the underserved of an enterprising India.



## A PROMISE CALLED SHRIRAM CITY

**₹ 23,132**  
CRORES

OUR ASSET UNDER  
MANAGEMENT  
(AUM) AS ON 31ST  
MARCH, 2017

**₹ 24,536**  
CRORES

OUR TOTAL  
ASSETS AS ON  
31ST MARCH, 2017

**₹ 22,356**  
CRORES

OUR  
DISBURSEMENTS  
IN 2016-17

**₹ 2,897**  
CRORES

OUR NET INTEREST  
INCOME IN 2016-17

**₹ 4,432**  
CRORES

OUR INCOME  
FROM OPERATIONS  
IN 2016-17

**22.22%**

OUR TIER - I  
CAPITAL ADEQUACY  
RATIO IN 2016-17

**9.76%**

AVERAGE COST OF  
BORROWINGS  
IN 2016-17

**23.88%**

CAPITAL  
ADEQUACY RATIO  
IN 2016-17

**13.57%**

NET INTEREST  
MARGIN  
IN 2016-17

**36.34**  
LACS

HAPPY  
CUSTOMERS OF  
SHRIRAM CITY

**998**

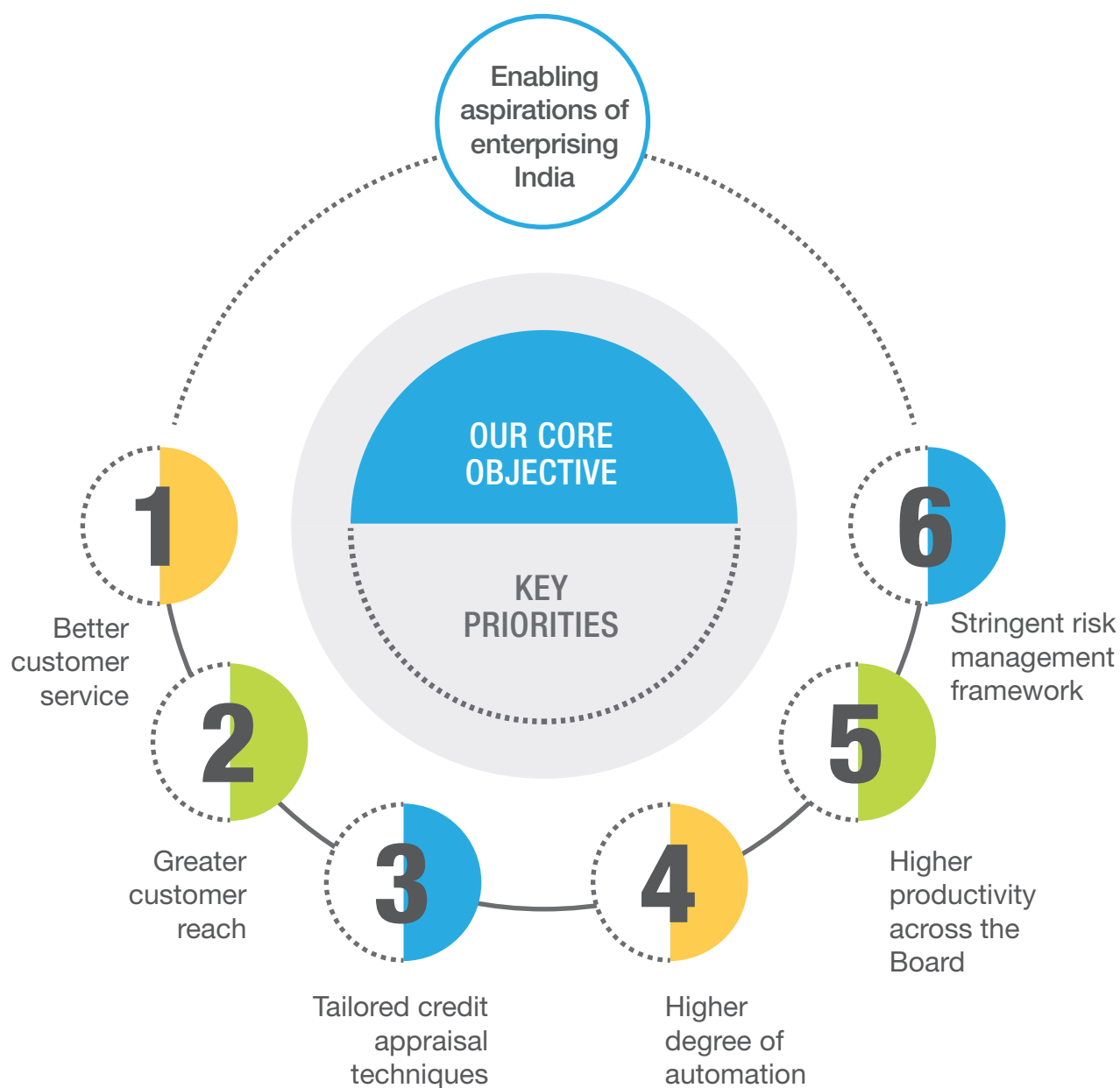
BRANCH NETWORK  
ACROSS INDIA

**26,783**

MOTIVATED TEAM  
MEMBERS



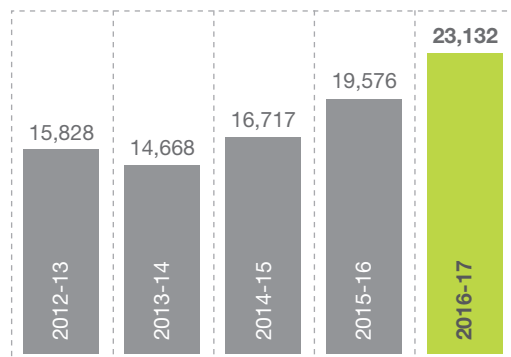
# STRATEGIC IMPERATIVES



## KEY PERFORMANCE INDICATORS (STANDALONE)

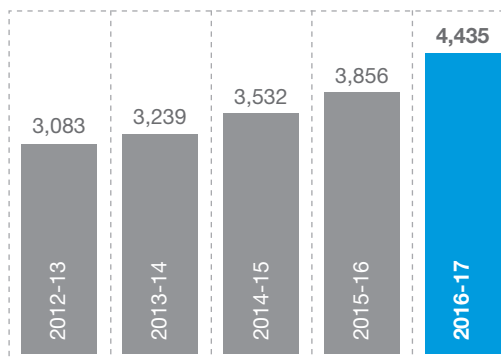
### AUM

₹ in Crores



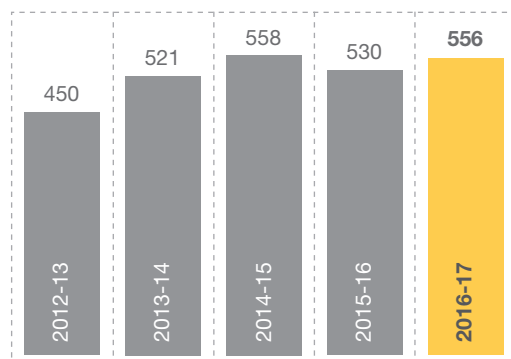
### TOTAL INCOME

₹ in Crores



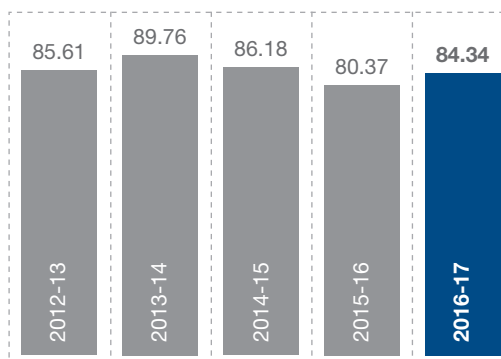
### PROFIT AFTER TAX

₹ in Crores



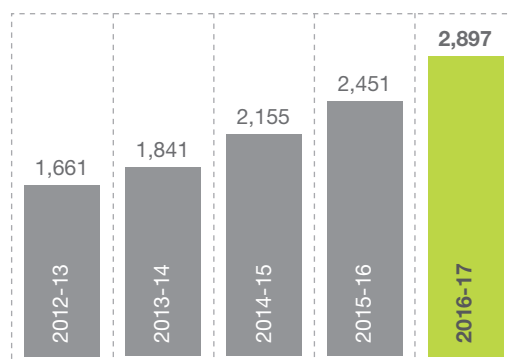
### EARNINGS PER SHARE

₹



### NET INTEREST INCOME

₹ in Crores



### AVERAGE BORROWING COST

%

