Independent Auditor's Report in connection with the Secured Non-Convertible Redeemable Debentures ('NCD'), issued by Shriram City Union Finance Limited ('the Company') through public offering and outstanding as at September 30, 2018

To,
The Board of Directors,
Shriram City Union Finance Limited

1. We have verified the accompanying Annexures containing the details of Debenture Redemption Reserve, Asset Coverage Ratio, Status of grievances of NCD holders, Debt Equity Ratio, credit rating, Net Worth, Net Profit After Tax and Earnings per share as at and for the half year ended September 30, 2018 as required pursuant to compliance with the terms and conditions contained in Debenture Trust Deed entered by Shriram City Union Finance Limited ('the Company') with Catalyst Trusteeship Ltd. dated October 05, 2012 ('the Trust Deed'). The accompanying Annexures also contain the details of repayment of principal and interest on Non-Convertible debentures during half year ended September 30, 2018 and due dates for repayment of principal and interest on Non-Convertible debentures during half year ended March 31, 2019.

Management's Responsibility for the Statement

2. The preparation of the Annexures referred to in Para 1 above is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

3. The management is also responsible for ensuring that the Company complies with the requirements of the terms and conditions contained in the Trust Deed.

Our Responsibility

4. Our responsibility is to express reasonable assurance in the form of an opinion based on our examination of the books of account and unaudited financial statements for the half year ended September 30, 2018.

5. We conducted our examination of the Annexures in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.



Opinion

7. Based on our examination as above, and the information and explanations given to us, in our opinion, the attached annexures are in agreement with the books of account of the Company and unaudited financial statements for the half year ended September 30, 2018. The Debenture Redemption Reserve, Asset Coverage Ratio, Status of grievances of NCD holders, Debt Equity Ratio, details of credit rating and details of Net Worth, net profit after tax and Earnings per share are in accordance with the Trust Deed.

Other matters and Restriction on Use

8. This report is addressed to and provided to the directors of the Company solely for the purpose of enabling it to file with the Catalyst Trusteeship Ltd. as per the terms of the Trust Deed and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

U. S. Abhyankar
Partner
Membership No.: 113053
Chennai, October 25, 2018

Annexures

1. Principal and Interest on all Secured Redeemable Non Convertible Debentures due for payment during the half year ended on September 30, 2018 were paid on respective due dates.

Sl. No.	ISIN	Interest("I")/Principal("P")	Due Dates	Amount in Crores	Actual Date of payment	Category
1	INE722A07612	I	18 -Jun-18	4.66	18 -Jun-18	PP
2	INE722A07620	I	22- Jun-18	4.65	22- Jun-18	PP
3	INE722A07679	P + I	10-Aug-18	38.16	10-Aug-18	PP
4	INE722A07810	I	27- Sep-18	2.14	27- Sep-18	PP
5	INE722A07547	I	03-May-18	9.16	6-Jan-18	PI

Public Issue ("PI"), Private Placement ("PP"), Principal ("P"), Interest ("I")

2. Due dates for payment of principal and Interest in respect of Secured redeemable Non Convertible Debentures for the half year ending March 2019

Sl. No.	ISIN	Interest("I")/Principal("P")	Due Dates	Amount in Crores	Category
1	INE722A07711	I	8-Oct-18	8.23	PP
2	INE722A07687	P + I	30-Oct-18	81.71	PP
3	INE722A07760	I	29-Oct-18	23.84	PP
4	INE722A07786	I	5-Dec-18	6.47	PP
5	INE722A07752	P + I	24-Dec-18	145.67	PP
8	INE722A07471	P + I	4- Jan-19	104.29	PI
9	INE722A07505	P + I	4- Jan-19		PI
10	INE722A07513	P + I	4- Jan-19	0.73	PI

3. Capital redemption Reserve as on September 30, 2018 is Rs. 23.29 Crores

SHRIRAM CITY UNION FINANCE LTD. SANTHOME CHENNAI-4

Annexures

A. Debenture Redemption Reserve:

NCD Public Issues	Outstanding amount (Rs. In Crores)		Average Tenure	Completed Tenure	DRR to be created up to September 30, 2018 (Rs. In Crores)			DRR as on September 30 ,2018 (Rs. In Crores)
	Principal	Interest			Principal	Interest	Total	
2013	79.01	23.45	60	57	5.86	19.08	24.94	24.94
2014	95.14	13.01	60	53	3.25	21.41	24.66	24.66
Total	174.15	36.46			9.11	40.49	49.60	49.60

B. Asset Coverage Ratio:

NDC – Public Issue	Outstanding as at September 30, 2018 (Rs. In Crores)	Pledged Stock Value (Rs. In Crores)	Asset Cover
2013	79.01	150	1.90
2014	95.14	150	1.58

C. Status of grievances of the NCD holders of the aforesaid NCD Public Issuer as certified by the register and transfer agent ("RTA") to issue that is, Shriram Insight Share Brokers Limited (SISBL)

Sr. No.	NCD Public Issues	Number of Grievances Received	Nature of Grievances received	Number of Grievances resolved	Number of Grievances pending	RTA
1.	2013	NIL	NIL	NIL	NIL	Shriram Insight Share Brokers Limited SISBL
2.	2014	NIL	NIL	NIL	NIL	

D. Debt Equity Ratio

Particulars	(Rs. in Crores) September 30, 2018
Debt	
Debt Securities	3,937.82

Borrowings (Other than debt security)	15,333.19
Deposits	2,989.39
Subordinated Liabilities	1,112.70
Other Financial Liabilities	398.35
Total	23,771.45
Equity Fund	
Equity Share Capital	65.97
Other Equity	5,769.06
Total of Share Holders Fund	5,835.03
Debt /Equity Ratio	4.07

E. Details of Credit Rating obtained by the Company for the aforesaid NCD public Issue:

Sr. No.	NCD Public Issue	Credit Rating Agency	Rating at the time of Issue	As on September 30, 2018
1	2013	CARE	CARE AA	CARE AA+
2	2014	CARE	CARE AA	CARE AA+

F.Details of Net worth, Net profit after Tax and Earnings per share of the Company:

Particulars	Amount as on September 30, 2018 (Rs. in Crores)
Net Worth	
Share Capital	65.97
Reserves & Surplus	5769.06
1.Total Net Worth	5835.03
2.Net Profit After Tax	478.85
3.Earnings Per Share	
Basic (Rs.)	72.59
Diluted (Rs.)	72.54

For Shriram City Union Finance Ltd

R. Duruvasan
Managing Director
DIN : 00223052

For G. D. Apte & Co
Chartered Accountants
Firm registration No 100515W

U. S. Abhyankar
Partner
Membership No.: 113053

Date: October 25, 2018
Place : Chennai

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Catalyst Trusteeship Limited** (**"Debenture Trustee"**) hereby confirm that we have received and noted (without independent verification thereof) the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Regulations"**), provided to us by **Shriram Citi Union Finance Limited** (**"the Company"**) for the Half year ended on September 30, 2018.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited
(Formerly GDA Trusteeship Limited)

Authorized Signatory

Date: October 25, 2018