SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd Office: No:123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2021

Rs in lacs

S. no.	Particulars	Quarter Ended			Nine months Ended		Year Ended
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	March 31, 2021 (Audited)
1	**Revenue from operations**						
	Interest income	1,58,911	1,51,467	1,39,776	4,55,765	4,15,753	5,57,156
	Dividend income	-	-	190	185	190	190
	Fee and commission income	5,554	1,754	1,198	8,695	2,709	4,722
	Net gain on fair value changes	-	43	62	60	122	132
	Net gain on derecognition of financial instruments under amortised cost category	371	-	-	310	-	-
	Bad debts recovery	5,217	5,069	2,544	12,777	5,879	10,870
	Total revenue from operations	**1,70,053**	**1,58,333**	**1,43,770**	**4,77,792**	**4,24,653**	**5,73,070**
2	Other income	99	92	146	273	630	774
3	**Total income (1 + 2)**	**1,70,152**	**1,58,425**	**1,43,916**	**4,78,065**	**4,25,283**	**5,73,844**
4	**Expenses**						
	Finance costs	64,855	61,580	52,150	1,83,893	1,57,796	2,13,388
	Net loss on fair value changes	7	-	-	-	-	-
	Net loss on derecognition of financial instruments under amortised cost category	-	7	49	-	76	167
	Fee and commission expenses	4,416	1,925	4,024	8,111	8,020	10,385
	Impairment of financial instruments	1,244	(113)	(3,181)	7,511	4,476	286
	Bad debts written off	20,603	20,406	20,729	63,636	64,235	84,800
	Employee benefit expenses	25,169	22,616	18,864	70,218	55,428	76,366
	Depreciation, amortisation and impairment	1,981	1,987	1,988	5,892	6,043	7,984
	Royalty	1,854	1,786	1,569	5,169	4,636	6,255
	Professional charges	3,267	3,140	3,089	9,388	9,104	13,010
	Other expenses	8,027	7,435	6,161	19,942	15,310	22,264
	Total expenses	**1,31,423**	**1,20,769**	**1,05,442**	**3,73,760**	**3,25,124**	**4,34,905**
5	**Profit / (loss) before exceptional items and tax (3 - 4)**	**38,729**	**37,656**	**38,474**	**1,04,305**	**1,00,159**	**1,38,939**
6	Exceptional items	-	-	-	-	-	-
7	**Profit / (loss) before tax (5 + 6)**	**38,729**	**37,656**	**38,474**	**1,04,305**	**1,00,159**	**1,38,939**
8	**Tax expenses**						
	Current tax	9,807	9,424	11,754	27,849	32,985	46,220
	Income tax of the earlier years	-	-	-	-	-	-
	Deferred tax	(328)	6	(1,250)	(1,819)	(5,712)	(8,375)
	Total tax expenses	**9,479**	**9,430**	**10,504**	**26,030**	**27,273**	**37,845**
9	**Profit / (loss) for the period (7 - 8)**	**29,250**	**28,226**	**27,970**	**78,275**	**72,886**	**1,01,094**
10	**Other comprehensive income**						
	A. Items that will not be reclassified to profit or loss						
	Remeasurement gain / (loss) on defined benefit plan	214	(160)	(37)	(432)	(421)	1,179
	Gain / (loss) on fair valuation of quoted investments in equity shares	976	261	167	760	1,048	769
	Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	245	66	33	191	158	633
	Subtotal (A)	**945**	**35**	**97**	**137**	**469**	**1,315**
	B. Items that will be reclassified to profit or loss						
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-	-
	Other comprehensive income (A+B)	**945**	**35**	**97**	**137**	**469**	**1,315**
11	**Total comprehensive income for the period (9 + 10)**	**30,195**	**28,261**	**28,067**	**78,412**	**73,355**	**1,02,409**
12	**Paid-up equity share capital (Face value of Rs.10 per share)**	**6,633**	**6,606**	**6,600**	**6,633**	**6,600**	**6,601**
13	**Other equity**						**8,05,252**
14	**Earning per equity share (Not annualized for interim periods)**						
	Basic (Rs.)	**44.21**	**42.75**	**42.38**	**118.47**	**110.43**	**153.16**
	Diluted (Rs.)	**43.98**	**42.29**	**42.28**	**117.49**	**110.31**	**152.81**

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Notes

1 The above financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on January 28, 2022.

2 The above standalone financial results for the quarter and nine months ended December 31, 2021 have been subjected to limited review by the Statutory Auditors of the Company.

3 During the quarter, the Company allotted 2,66,431 equity shares of Rs.10/- each fully paid, on exercise of options vested to the employees under the Employees Stock Option Scheme 2013.

4 During the quarter, the Company granted 3,03,270 number of options to its eligible employees under the Employees Stock Option Scheme 2013.

5 The interim dividend of Rs. 10/- per equity share of Rs. 10/- each for financial year 2021-22 declared at the Board Meeting held on October 27, 2021 was paid to shareholders on November 24, 2021.

6 During the quarter the Company subscribed to the Rights Issue of 6,66,66,667 equity shares of face value of Rs.10/- each of subsidiary company for cash at a premium of Rs.35/- per share, amounting to Rs. 30,000 lacs. The total fresh investment in Shriram Housing Finance Limited (Subsidiary company) for the nine months ended December 31, 2021 was Rs. 50,000 lacs.

7 The Board of Directors of the Company in its meeting held on December 13, 2021 have approved a Composite Scheme of Arrangement and Amalgamation ("Scheme"), inter alia, involving amalgamation of Shriram Capital Limited (after de-merger of a few undertakings from the said Shriram Capital Limited) and the Company with Shriram Transport Finance Company Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has already initiated process for the approval of the Scheme by various statutory authorities. The Appointed Date for the Scheme is April 01, 2022.

8 The principal business of the Company is financing activity. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the Ind AS 108 - 'Operating Segments'.

9 The Company's secured listed Non-Convertible Debentures (NCDs) aggregating to Rs. 6,56,377 lacs as on December 31, 2021 are secured by way of first and exclusive charge on specific future receivables and on identified immovable properties of the Company in favour of respective Debenture Trustee(s) and the Company maintains 100% asset cover for the NCDs and interest thereon.

10 As at December 31, 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at Rs.51,095.90 lacs (March 31, 2021: Rs.70,876.72 lacs). The additional ECL provision on account of COVID-19 is based on the Company's historical experience, collection efficiencies till date, internal assessment on the impacted segments and other emerging forward looking factors on account of the pandemic. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

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(i) Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR.No.BP.BC/4/21 04.048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to Rs. 25 crores) for the nine months ended December 31, 2021

No. of accounts restructured	Amount (Rs in Lacs)
560	15,434.07

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(ii) Disclosures pursuant to RBI notification- RBI/2020-21/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021

Rs. in lacs

Sl. No	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
A	Number of requests received for invoking resolution process under Part A	27	48	396
B	Number of accounts where resolution plan has been implemented under this window	14	38	360
C	Exposure to accounts mentioned at (B) before implementation of the plan	230.08	2,053.78	14,244.88
D	Of (C) aggregate amount of debt that was converted into other securities	-	-	-
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
F	Increase in provisions on account of the implementation of the resolution plan	-	-	-

12 Disclosures pursuant to RBI notification- RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(i) Details of transferred through assignment in respect of loans not in default during the nine months ended December 31, 2021

Rs. in lacs

Count of loan accounts assigned	176
Amount of loan account assigned	4,570.02
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	31 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

(ii) Details of acquired through assignment in respect of loans not in default during the nine months ended December 31, 2021

Rs. in lacs

Count of loan accounts assigned	593
Amount of loan account assigned	2,898.18
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	16 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

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(iii) The Company has not acquired or transferred any stressed loan during the nine months ended December 31, 2021.

13 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at December 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

14 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

15 Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended December 31, 2021 is attached as Annexure 1.

16 Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date to "Days Past Due Approach as on Day end" with effect from November 12, 2021. Had the Company followed the earlier method, the profit before tax for the quarter and nine months ended December 31, 2021 would have been higher by Rs.9,758.69 lacs.

17 The figures for the previous quarter/ period have been regrouped/ rearranged; wherever necessary to conform to the current period presentation.

18 The above financial results are available at www.nseindia.com, www.bseindia.com and www.shriramcity.in.

By order of the Board
For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308

Place: Chennai
Date : January 28, 2022

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Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure 1

S.No	Particular	Standalone					
		Quarter Ended			Nine months Ended		Year Ended
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	March 31, 2021 (Audited)
1	Debt - Equity ratio (times)	3.46	3.18	3.04	3.46	3.04	3.23
2	Outstanding redeemable preference share (nos)	Nil	Nil	Nil	Nil	Nil	Nil
3	Outstanding redeemable preference share (Rs. in Lacs)	Nil	Nil	Nil	Nil	Nil	Nil
4	Capital redemption reserve (Rs. in Lacs)	2,329	2,329	2,329	2,329	2,329	2,329
5	Debenture redemption reserve (Rs. in Lacs)	Nil	Nil	Nil	Nil	Nil	Nil
6	Net worth (Rs. in Lacs)	8,58,965	8,31,854	7,69,062	8,58,965	7,69,062	7,90,543
7	Net profit after tax (Rs. in Lacs)	29,250	28,226	27,970	78,275	72,886	1,01,094
8	Earnings per equity share (Not annualized for interim periods)						
	Basic (Rs.)	44.21	42.75	42.38	118.47	110.43	153.16
	Diluted (Rs.)	43.98	42.29	42.28	117.49	110.31	152.81
9	Total debts to total assets	0.76	0.75	0.74	0.76	0.74	0.75
10	Net profit margin (%)	17.19%	17.82%	19.43%	16.37%	17.14%	17.62%
11	Sector specific equivalent ratios :						
	Capital adequacy ratio (%)	27.85%	29.11%	29.57%	27.85%	29.57%	28.64%
	Gross NPA ratio (%)	7.30%	6.86%	6.46%	7.30%	6.46%	6.37%
	Net NPA ratio (%)	3.98%	3.47%	3.16%	3.98%	3.16%	3.08%
	NPA provision coverage ratio (%)	47.35%	51.24%	52.71%	47.35%	52.71%	53.24%
	Leverage Ratio (times)	3.62	3.39	3.28	3.62	3.28	3.50
	Liquidity coverage ratio (%)	359.10%	408.15%	292.21%	359.10%	292.21%	278.14%

Note:

1 **The following ratios are not applicable to the company being NBFC:**

Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating profit margin.

2 **Formulae for computation of Ratios**

a. Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Net worth.

b. Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposits) / Total assets.

c. Net profit margin = Net profit after tax / Total income.

d. Capital adequacy ratio = Adjusted net worth / Risk weighted assets, calculated as per applicable RBI guidelines.

e. Leverage ratio = Outside liabilities / Adjusted net worth , calculated as per applicable RBI guidelines.

f. Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.

g. Net NPA ratio (%) = Net stage 3 loans / (Gross loans - ECL on stage 3 loans) where Net stage 3 loans = Gross stage 3 loans - ECL on stage 3 loans.

h. NPA provision coverage ratio (%) = ECL on stage 3 loans / Gross stage 3 loans.

3 **Liquidity coverage ratio (LCR) is calculated as per circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03.10.0001/2019-20 dated November 04, 2019 issued by Reserve Bank of India. As per the said circular, LCR is applicable from December 1, 2020.**

4 **Net worth is calculated as defined in section 2(57) of Companies Act 2013.**

5 **Adjusted Net worth is the Net Owned Fund as per RBI guidelines.**

By order of the Board

For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti

Managing Director & CEO

DIN: 00052308

Place: Chennai

Date : January 28, 2022