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 Consolidated 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	1,71,049	1,63,229	1,48,163	4,90,041	4,39,394	5,90,296
	Dividend income	-	-	190	185	190	190
	Fee and commission income	5,562	1,765	1,203	8,722	2,607	4,634
	Net gain on fair value changes	197	247	241	684	634	907
	Net gain on derecognition of financial instruments under amortised cost category	2,442	687	4,098	3,979	6,509	7,422
	Bad debts recovery	5,280	5,085	2,648	12,889	6,028	11,112
	Other operating income	428	266	214	834	434	814
	Total Revenue from operations	**1,84,958**	**1,71,279**	**1,56,757**	**5,17,334**	**4,55,796**	**6,15,375**
2	Other income	334	197	281	739	1,027	1,412
3	**Total Income (1 + 2)**	**1,85,292**	**1,71,476**	**1,57,038**	**5,18,073**	**4,56,823**	**6,16,787**
4	**Expenses**						
	Finance costs	71,885	68,619	57,486	2,04,922	1,72,415	2,34,071
	Fee and commission expenses	4,924	2,326	4,319	9,235	8,565	11,253
	Impairment of financial instruments	1,714	(318)	(2,281)	7,885	5,762	1,663
	Bad debts written off	20,720	20,438	21,174	63,815	64,727	85,396
	Employee benefit expenses	27,395	24,548	20,482	76,291	60,101	83,013
	Depreciation, amortisation and impairment	2,180	2,189	2,166	6,484	6,592	8,712
	Royalty	2,070	1,917	1,712	5,600	4,979	6,716
	Professional charges	3,765	3,502	3,469	10,507	9,963	14,349
	Other expenses	8,677	7,957	6,533	21,529	16,320	23,813
	Total Expenses	**1,43,330**	**1,31,178**	**1,15,060**	**4,06,268**	**3,49,424**	**4,68,986**
5	**Profit / (loss) before exceptional items and tax (3 - 4)**	**41,962**	**40,298**	**41,978**	**1,11,805**	**1,07,399**	**1,47,801**
6	Exceptional items	-	-	-	-	-	-
7	**Profit / (loss) before tax (5 + 6)**	**41,962**	**40,298**	**41,978**	**1,11,805**	**1,07,399**	**1,47,801**
8	**Tax expenses**						
	Current tax	10,356	9,974	12,598	29,312	34,842	47,156
	Income tax of the earlier years	-	-	-	-	713	(191)
	Deferred tax	99	123	(1,175)	(1,233)	(6,100)	(6,936)
	Total tax expenses	**10,455**	**10,097**	**11,423**	**28,079**	**29,455**	**40,029**
9	**Profit / (loss) for the period (7 - 8)**	**31,507**	**30,201**	**30,555**	**83,726**	**77,944**	**1,07,772**
10	**Other Comprehensive Income**						
	A. Items that will not be reclassified to profit or loss						
	Remeasurement gain/(loss) on defined benefit plan	220	(157)	(41)	(433)	(424)	1,182
	Gain/(loss) on Fair valuation of quoted investments in equity shares	976	261	168	760	1,049	769
	Income tax provision/ (reversal) relating to items that will not be reclassified to profit or loss	247	67	34	191	159	634
	Subtotal (A)	**949**	**37**	**93**	**136**	**466**	**1,317**
	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)	**949**	**37**	**93**	**136**	**466**	**1,317**
11	**Total Comprehensive Income for the period (9 + 10)**	**32,456**	**30,238**	**30,648**	**83,862**	**78,410**	**1,09,089**
12	**Profit/ (Loss) for the period attributable to**						
	Owners of the Company	**31,077**	**29,847**	**30,003**	**82,759**	**76,848**	**1,06,353**
	Non - Controlling Interests	**430**	**354**	**552**	**967**	**1,096**	**1,419**
13	**Other Comprehensive Income/ (loss) for the period attributable to**						
	Owners of the Company	**948**	**37**	**93**	**136**	**466**	**1,316**
	Non - Controlling Interests	**1**	**-**	**-**	**-**	**-**	**1**
14	**Total Comprehensive Income/ (loss) for the period attributable to**						
	Owners of the Company	**32,025**	**29,884**	**30,096**	**82,895**	**77,314**	**1,07,669**
	Non - Controlling Interests	**431**	**354**	**552**	**967**	**1,096**	**1,420**
15	**Paid-Up Equity Share Capital (Face value of Rs.10 per share)**	**6,633**	**6,606**	**6,600**	**6,633**	**6,600**	**6,601**
16	**Other Equity**						**8,32,153**
17	**Earning per equity share (Not annualized for interim periods)**						
	Basic (Rs.)	**46.97**	**45.21**	**45.45**	**125.26**	**116.43**	**161.13**
	Diluted (Rs.)	**46.73**	**44.72**	**45.36**	**124.22**	**116.31**	**160.76**

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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 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 The interim dividend of Rs. 10/- per equity share of Rs. 10/- each for financial year 2021-2022 declared at the Board Meeting held on October 27, 2021 was paid to shareholders on November 24, 2021

4 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.

5 The principal business of the Group 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'.

6 The Group's secured listed Non-Convertible Debentures (NCDs) aggregating to Rs.7,04,309 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 Groups in favour of respective Debenture Trustee(s) and the Company maintains 100% asset cover for the NCDs and interest thereon.

7 As at December 31, 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at Rs.51,495.90 lacs (March 31, 2021: Rs.71,876.72 lacs). The additional ECL provision on account of COVID-19 is based on the Group'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 Group's management is continuously monitoring the situation and the economic factors affecting the operations of the Group.

8

(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

(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	369	334	412
B	Number of accounts where resolution plan has been implemented under this window	316	284	373
C	Exposure to accounts mentioned at (B) before implementation of the plan	6,803.23	7,533.08	17,159.96
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	-	-	-

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9 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.

10 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.10,114.83 lacs.

11 The consolidated financial results relates to M/s Shriram City Union Finance Limited (“Company”) and its subsidiary (“Shriram Housing Finance Limited”) (together hereinafter referred to as “Group”).

12 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.

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

14 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

Consolidated

Sr.No	Particular	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)	3.74	3.48	3.31	3.74	3.31	3.52
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)	8,86,683	8,59,058	7,93,787	8,86,683	7,93,787	8,16,535
7	Net profit after tax (Rs. in Lacs)	31,507	30,201	30,555	83,726	77,944	1,07,772
8	Earnings per equity share (Not annualized for interim periods)						
	Basic (Rs.)	46.97	45.21	45.45	125.26	116.43	161.13
	Diluted (Rs.)	46.73	44.72	45.36	124.22	116.31	160.76
9	Total debts to total assets	0.77	0.76	0.75	0.77	0.75	0.76
10	Net profit margin (%)	17.00%	17.61%	19.46%	16.16%	17.06%	17.47%
11	Sector specific equivalent ratios :						
	(i) Capital adequacy ratio (%)						
	(a) SCUF	27.85%	29.11%	29.57%	27.85%	29.57%	28.64%
	(b) SHFL	33.33%	24.86%	21.56%	33.33%	21.56%	23.03%
	(ii) Gross NPA ratio (%)						
	(a) SCUF	7.30%	6.86%	6.46%	7.30%	6.46%	6.37%
	(b) SHFL	2.47%	1.91%	2.40%	2.47%	2.40%	1.87%
	(iii) Net NPA ratio (%)						
	(a) SCUF	3.98%	3.47%	3.16%	3.98%	3.16%	3.08%
	(b) SHFL	1.98%	1.48%	1.91%	1.98%	1.91%	1.47%
	(iv) NPA provision coverage ratio (%)						
	(a) SCUF	47.35%	51.24%	52.71%	47.35%	52.71%	53.24%
	(b) SHFL	20.04%	22.67%	20.33%	20.04%	20.33%	21.90%

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, Operating margin, Liquidity Coverage ratio and Leverage ratio.

2 **Formulae for computation of Ratios**
a. Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Networth.
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 under Ind AS as per applicable RBI/NHB guidelines.
e. Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.
f. 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.
g. NPA provision coverage ratio (%) = ECL on stage 3 loans / Gross stage 3 loans.

3 **Networth is calculated as defined in section 2(57) of Companies Act 2013.**

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