

Ref: STEC NSE/BSE 467/2022

January 28, 2022

The Secretary,  
**BSE Ltd**  
P J Towers,  
Dalal St,  
Mumbai 400 001

The Manager  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5th Floor  
Plot No.C/1, G Block  
Bandra- Kurla Complex Bandra (E)  
Mumbai 400 051

Sir,

**Ref: ISIN – INE722A01011**

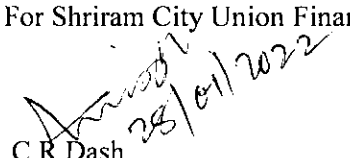

**Scrip Code: BSE – 532498 and NSE - SHRIRAMCIT**

Please find attached the presentation on financial results to be made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,  
For Shriram City Union Finance Limited

  
C R Dash  
Company Secretary  


Encl: a/a

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**Shriram City Union Finance Limited**

Business Solution Centre, 144, Santhome High Road, Mylapore, Chennai – 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430

Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431

E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in

Corporate Identification Number (CIN) L65191TN1986PLC012840



## Investor Update - Q3 FY 22 (December 2021)

# Key Highlights - Consolidated

## Disbursements

**Rs. 8398 Cr**

Highest-ever lending performance

## Cross-sell Initiatives

After a successful foray in Andhra & Telangana, SHFL has begun cross-selling in Gujarat

## Assets Under Management

**Rs. 36853 Cr**

YOY growth of 16.3%

## Collection Efficiency

**In excess of 100%**

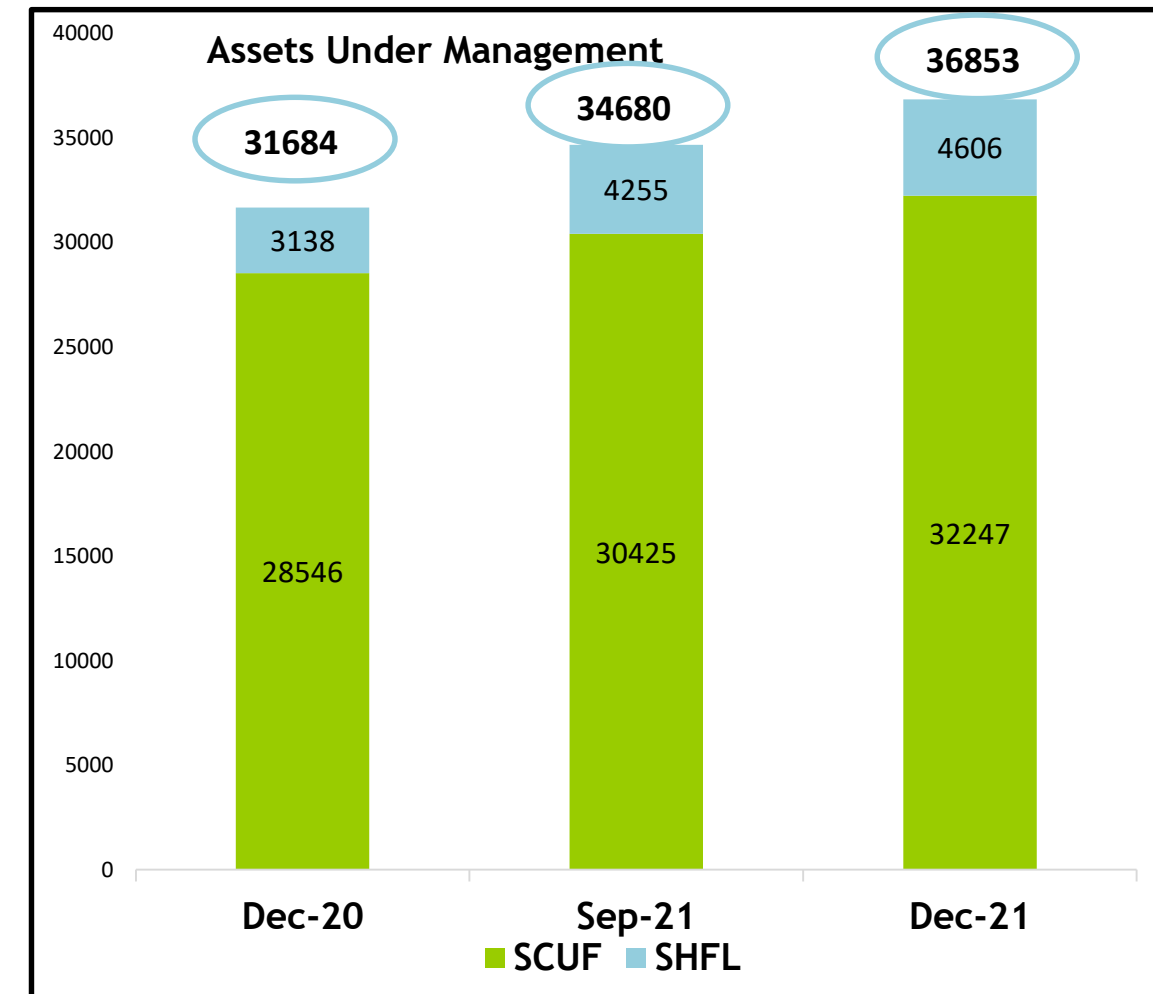
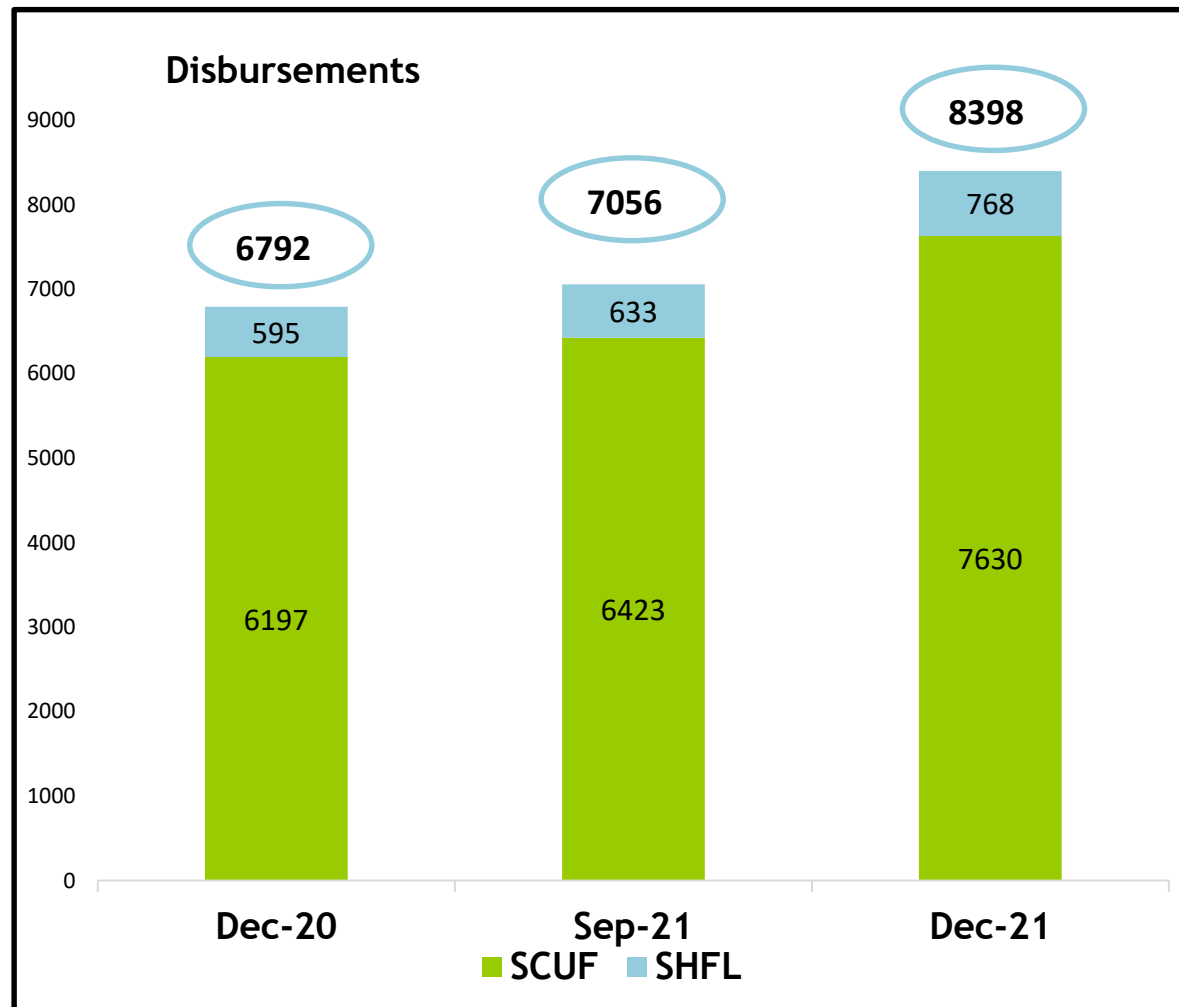
Improved Collection Efficiency through the Quarter

## Expansion of Digital Initiatives

Express Two Wheeler loans  
Contactless Personal Loans  
Contactless credit appraisal  
Online Fixed Deposit program

# Disbursement & Assets Under Management - Consolidated

Rs. Crores



# Key Performance Highlights - Consolidated

Rs. Crores

Assets Under Management

Income from Operations

Net Interest Income

Pre Provision Profits

Profit After Tax

Dec 21

36853

1860

1140

650

322

16.3  
%

18.5  
%

14.6  
%

7.1  
%

5.9  
%

Dec 20

31684

1569

995

607

304

Dec 21

36853

1860

1140

650

322

6.3  
%

8.5  
%

10.9  
%

7.8  
%

7.0  
%

Sep 21

34680

1714

1028

603

301

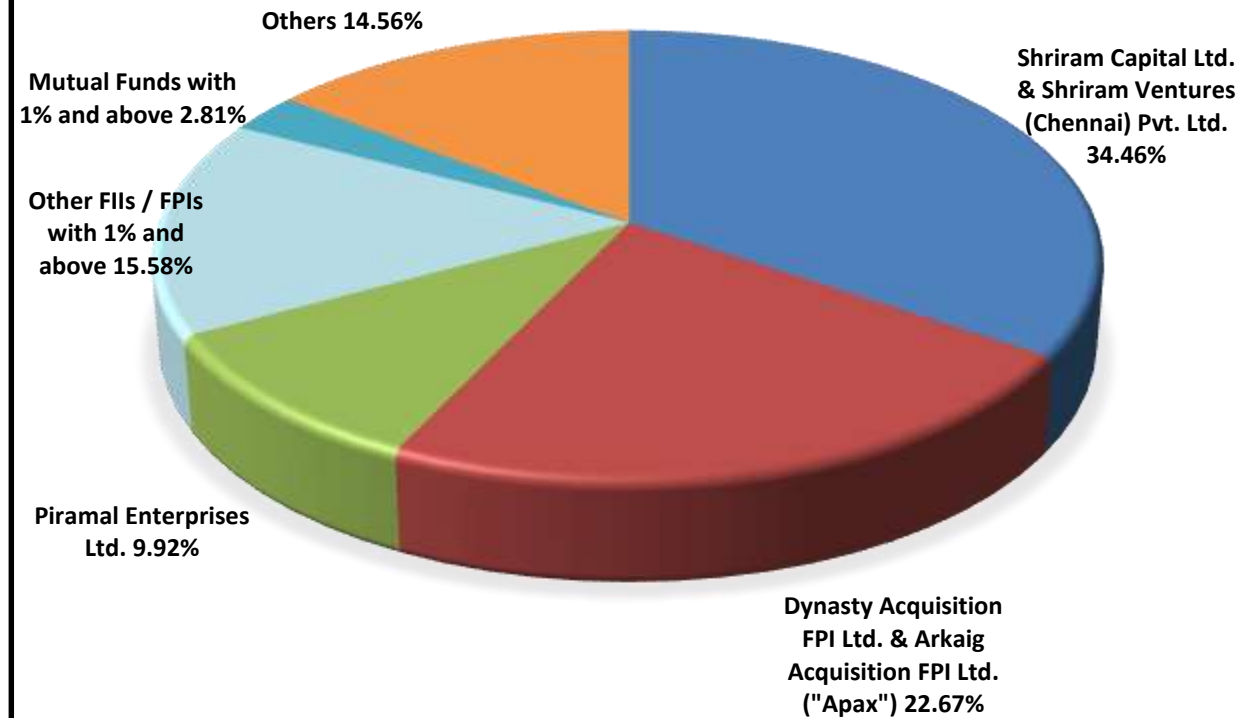
# Branch Network

Shriram City Union Finance Ltd.			
STATE	BRANCHES	STATE	BRANCHES
Tamil Nadu	261	Bihar	12
Andhra Pradesh	183	West Bengal	10
Telangana	130	Uttarakhand	8
Maharashtra	94	Himachal Pradesh	6
Karnataka	57	Odisha	5
Uttar Pradesh	54	Puducherry	5
Gujarat	30	Jharkhand	3
Madhya Pradesh	26	Delhi	2
Rajasthan	25	Goa	2
Kerala	22	Chandigarh	1
Punjab	21	Jammu & Kashmir	1
Chhattisgarh	15	<b>TOTAL BRANCHES</b>	<b>986</b>
		<b>EMPLOYEE COUNT</b>	<b>26920</b>
Haryana	13		

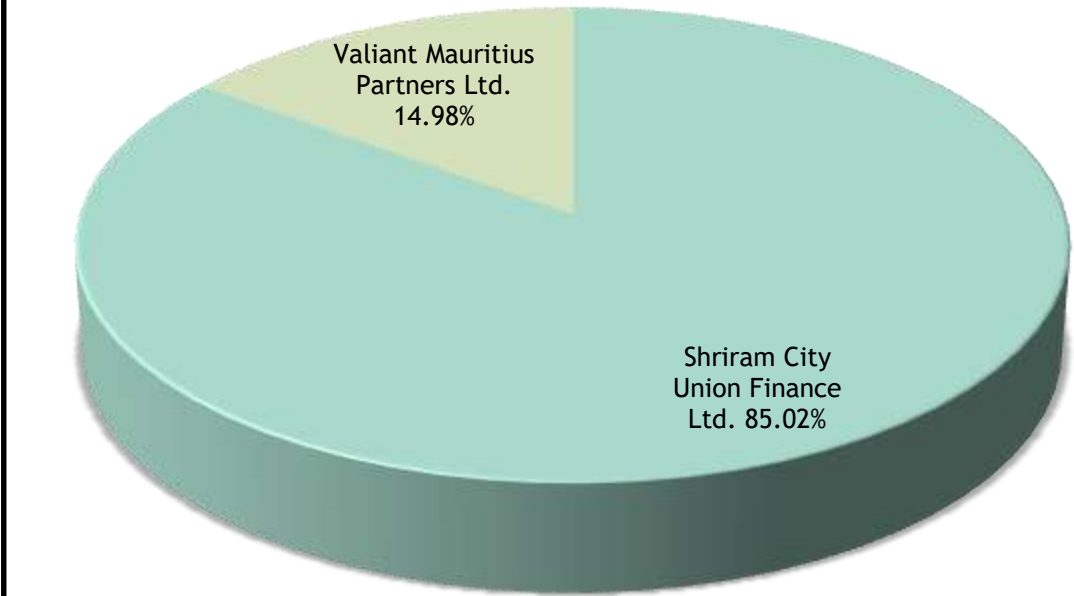
Shriram Housing Finance Ltd.	
STATE	BRANCHES
Gujarat	14
Maharashtra	12
Andhra Pradesh & Telangana	11
Karnataka	10
Tamil Nadu	9
Rajasthan	9
Madhya Pradesh	7
Uttar Pradesh	3
Kerala	2
Punjab	2
West Bengal	2
Chhattisgarh	2
Uttarakhand	1
Delhi	1
<b>TOTAL BRANCHES</b>	<b>85</b>
<b>EMPLOYEE COUNT</b>	<b>731</b>

# Shareholders Profile

## SHRIRAM CITY



## SHRIRAM HOUSING





**Standalone Numbers**



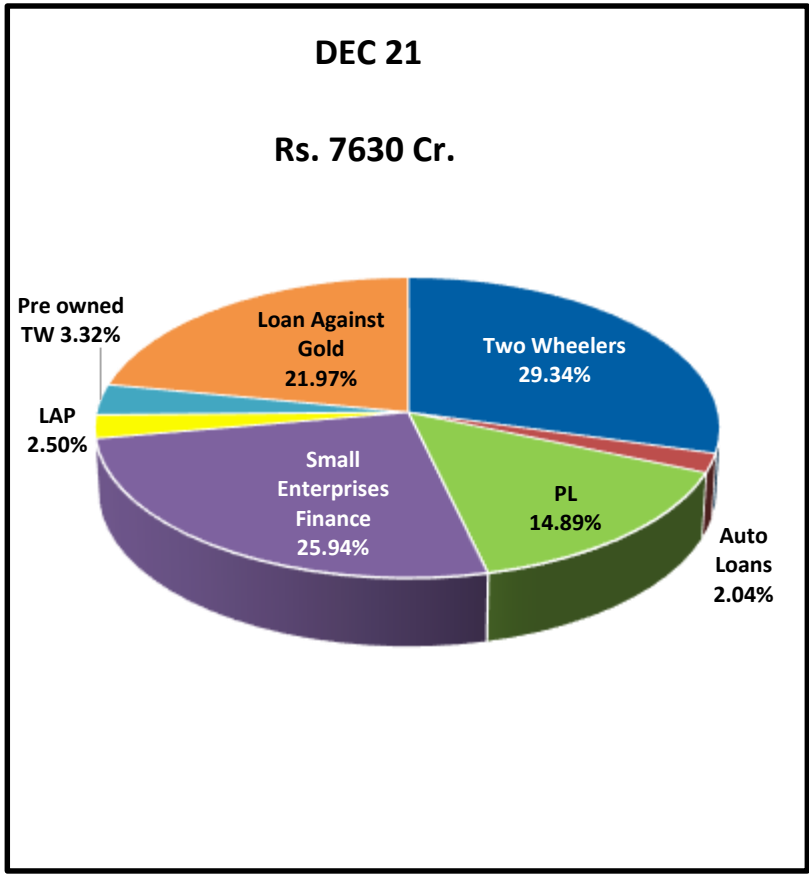
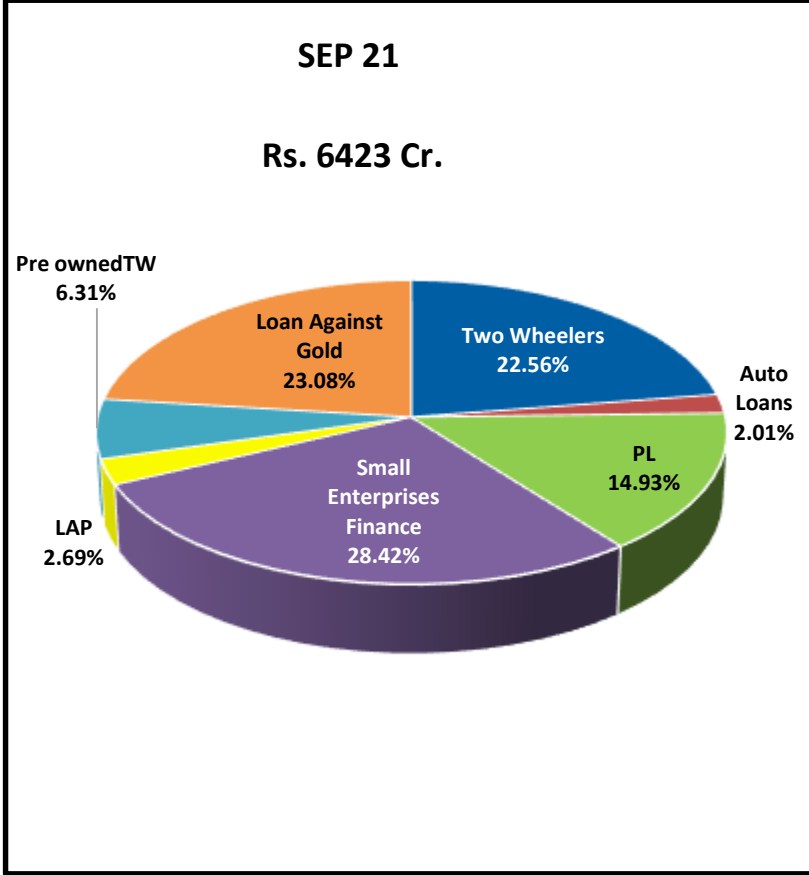
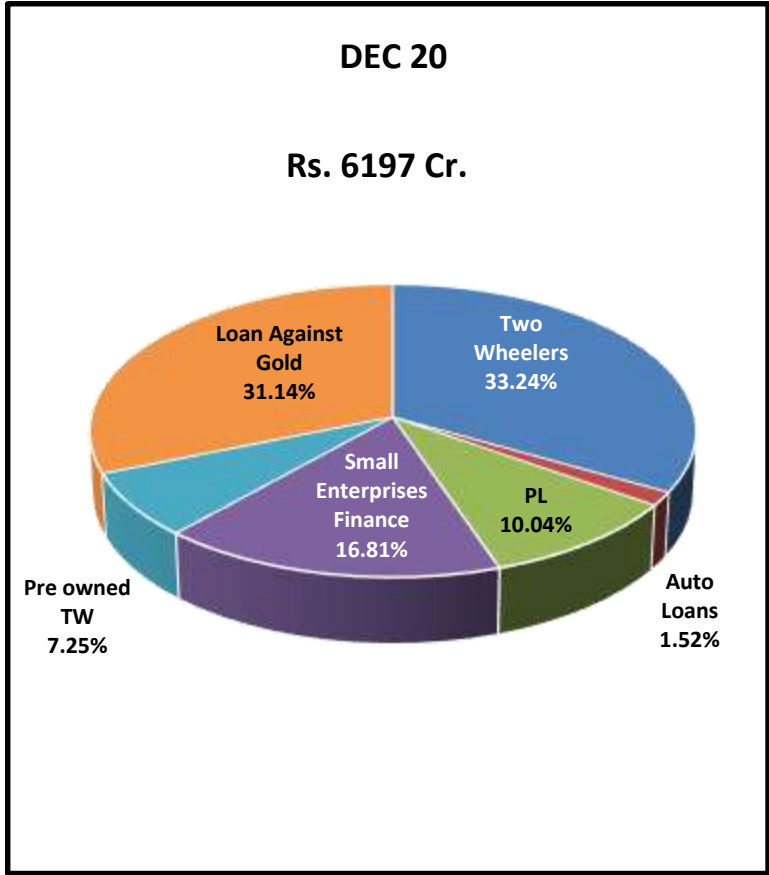
# Executive Summary

- Loan disbursements of Rs. 7630 Cr in Q3FY22 versus Rs. 6197 Cr in Q3FY21 and Rs. 6423 Cr in Q2FY22. YOY growth: 23% and sequential growth of 19%. These have been our best ever quarterly disbursements.
- Assets Under Management as on 31<sup>st</sup> Dec 2021 are Rs. 32247 Cr versus Rs. 30425 Cr as on 30<sup>th</sup> Sep 2021 and Rs. 28546 Cr as on 31<sup>st</sup> Dec 2020. AUM growth: 13% YOY and 6% QOQ.
- Profit after Tax at Rs. 293 Cr. was the highest in eight quarters.
- Pre-provision profits at Rs. 606 Cr. were the highest in more than three years.
- As at Dec'21, loans worth Rs. 315 Cr. have been restructured under RBI's COVID-19 Resolution Framework, translating to less than 1% of AUM.
- Covid-related provisioning at the end of Q3FY22 stood at Rs. 511 Cr.
- Fresh borrowings of Rs. 5660 Cr. were raised in Q3 (versus Rs. 3950 Cr. in Q2) with door-to-door maturity of 55 months. Fixed Deposit base stood at Rs. 6626 Cr., a growth of 29% YOY.
- Liquidity back up in form of free cash & bank balances stood at Rs. 5027 Cr. Sanctioned and Undrawn limits stood at Rs. 939 Cr.
- Comfortable ALM position with nil negative mismatch on cumulative basis. Net Worth stood at Rs. 8590 Cr.
- Asset yields at 21.72%, up from 20.53% in Q2FY22 and 21.11% in Q1FY22.
- Net Interest Margin improved to 13.44% in Q3FY22 as against 13.09% in Q3FY21 and 12.91% in Q2FY22.

# Executive Summary

- In line with RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications, the Company has revised its process of NPA classification. As a consequence, the reported Profit before Tax for the Quarter and Nine months ended December 31, 2021 is lower by Rs. 97.59 crores.
- Reported GNPA as at Dec 2021 is 7.30% as per the RBI Circular of 12th Nov 2021. GNPA % as per earlier logic would have been at 6.61 % as compared to 6.86% in Q2FY22.
- Credit costs were within tolerance levels at 2.79%
- Collection Efficiency was at 103% in the Quarter.
- The Company's Board of Directors, in its meeting held on 13<sup>th</sup> December 2021 had approved the amalgamation of the Company with M/s Shriram Transport Finance Co. Ltd. The Scheme of Amalgamation which carries the appointed date of 1<sup>st</sup> April 2022 now awaits approval from regulatory authorities and the Company's shareholders.

# Disbursements for the Quarter

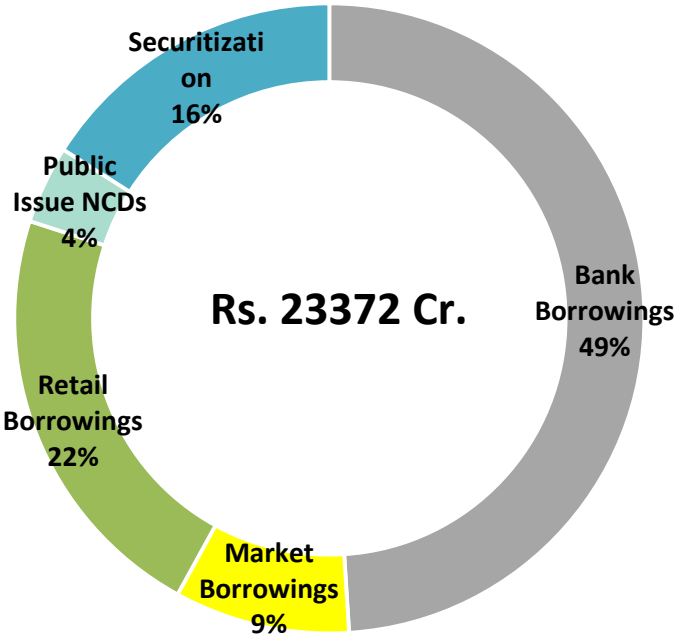


# Assets Under Management

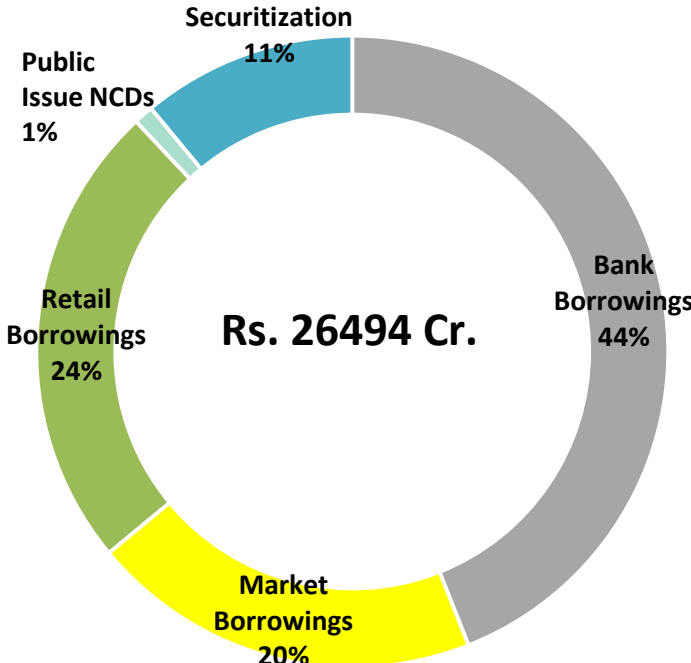
Product Segment	Dec 20	Sep 21	Dec 21
Small Enterprises Finance	53.7%	47.3%	45.3%
Two Wheelers	23.4%	22.2%	23.8%
Personal Loans	5.5%	9.3%	10.8%
Loan Against Gold	11.8%	14.0%	12.7%
Pre Owned Two Wheelers	3.8%	3.9%	3.4%
Auto Loans	1.7%	1.9%	2.1%
Loan Against Property	-	1.4%	1.9%
<b>Assets Under Management - Rs. Cr</b>	<b>28546</b>	<b>30425</b>	<b>32247</b>

# Borrowings Profile

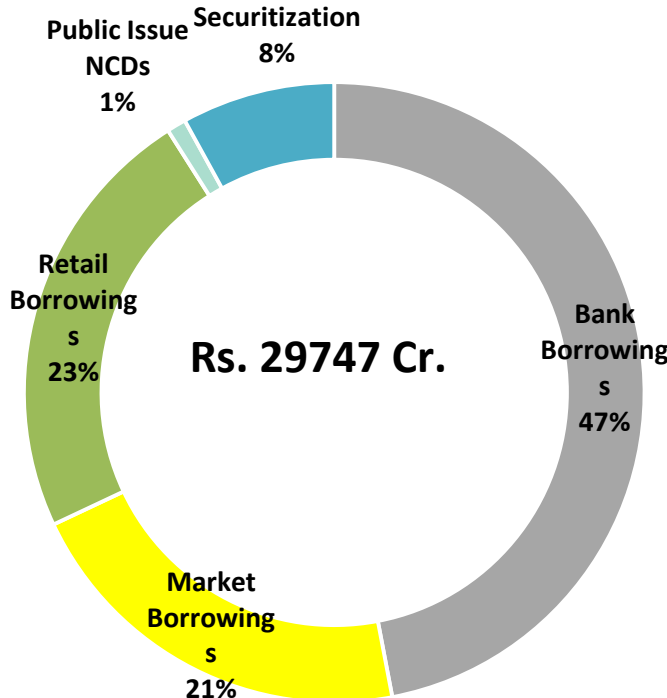
Dec 21



Sep 21



Dec 21



# Borrowings Profile

## CREDIT RATING - LONG TERM



## CREDIT RATING - FDs



## CREDIT RATING - SHORT TERM



### Rating action in Q3FY22:

- India Ratings revised SCUF's Outlook to "Positive" from "Stable"
- CRISIL has placed our NCD program on Rating Watch with Positive implications.
- CARE Ratings has placed our NCDs and Fixed Deposits on Rating Watch with Positive implications
- ICRA has placed our NCDs and MLDs on Rating Watch with Positive implications. It's Outlook on our FDs is "Stable"

Rs. Crores

## ALM Profile

Particulars	Total Inflows	Total Outflows	Mismatch	Cumulative Mismatch
0 - 7 days	3217	253	2964	2964
8 - 14 days	1019	128	890	3854
15 - 30 days	2741	807	1934	5788
>1 - 2 months	1897	910	987	6775
>2 - 3 months	2783	1905	878	7653
>3 - 6 months	4667	2685	1982	9635
>6 - 12 months	8107	7802	305	9940
>1 - 3 years	10693	12271	-1577	8363
>3 - 5 years	3276	3986	-710	7653
> 5 years	2738	10539	-7801	-149
<b>Total</b>	<b>41138</b>	<b>41287</b>	<b>-149</b>	

- Positive mismatch on cumulative basis across all buckets.
- Rs. 149 Cr. in the > 5 years bucket is on account of contingent liability and hence appearing in cumulative negative mismatch.

# Provisions Analysis

Rs. Crores

Provisions Analysis	As at			
	Dec-20	Sep-21	Dec-21(per RBI rule of 12 <sup>th</sup> Nov.)	Dec-21(per earlier NPA rule)
Stage 3 - Gross	1833	2083	2348	2125
Stage 3 - ECL Provisions	966	1067	1112	1018
Stage 3 - Net	867	1015	1236	1107
<b>Stage 3 % - Gross</b>	<b>6.46%</b>	<b>6.86%</b>	<b>7.30%</b>	<b>6.61%</b>
<b>Stage 3 % - Net</b>	<b>3.16%</b>	<b>3.47%</b>	<b>3.98%</b>	<b>3.55%</b>
Stage 3 Coverage Ratio (%)	52.71%	51.24%	47.35%	47.92%
Stage 1 - Gross	24478	24654	25960	25968
Stage 1 - ECL Provisions	923	830	809	809
Stage 1 - Net	23555	23824	25151	25158
Stage 1 % - Gross	86.23%	81.18%	80.73%	80.75%
Stage 1 - ECL Provisions %	3.77%	3.37%	3.12%	3.12%
Stage 2 - Gross	2075	3632	3848	4067
Stage 2 - ECL Provisions	197	210	199	217
Stage 2 - Net	1878	3421	3649	3850
Stage 2 % - Gross	7.31%	11.96%	11.97%	12.65%
Stage 2 - ECL Provisions %	9.52%	5.79%	5.18%	5.32%

Note: Covid-19 provisions of Rs. 511 Cr. are included in ECL Provisions as mentioned above

# Analysis of Stage 3 - Product wise

Product Segment	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Dec-20	Sep-21	Dec-21 (per RBI rule of 12 <sup>th</sup> Nov.)	Dec-20	Sep-21	Dec-21 (per RBI rule of 12 <sup>th</sup> Nov.)	Dec-20	Sep-21	Dec-21 (per RBI rule of 12 <sup>th</sup> Nov.)
Small Enterprises Finance	7.37%	7.50%	8.15%	3.09%	3.07%	4.24%	59.95%	60.89%	50.15%
Two Wheeler	5.84%	6.40%	7.08%	3.08%	3.48%	3.84%	48.80%	47.25%	47.60%
Personal Loans	10.69%	10.91%	11.28%	6.53%	5.96%	6.17%	41.62%	48.21%	48.24%
Loan Against Gold	2.98%	3.58%	2.09%	2.85%	3.44%	2.00%	4.67%	4.20%	4.29%
Pre Owned Two Wheeler	1.07%	4.91%	6.50%	0.49%	2.71%	3.61%	54.90%	46.08%	46.16%
Auto Loans	8.61%	9.51%	10.38%	4.15%	5.27%	5.77%	54.08%	47.04%	47.11%
Loan Against Property	0.00%	0.10%	0.22%	0.00%	0.04%	0.11%	0.00%	62.49%	51.28%
<b>Total</b>	<b>6.46%</b>	<b>6.86%</b>	<b>7.30%</b>	<b>3.16%</b>	<b>3.47%</b>	<b>3.98%</b>	<b>52.71%</b>	<b>51.24%</b>	<b>47.35%</b>

Compared to reported GNPA of 7.30% as at Dec.'21 as per the RBI Circular 12<sup>th</sup> Nov 21, GNPA % as per earlier logic would have been at 6.61 %.

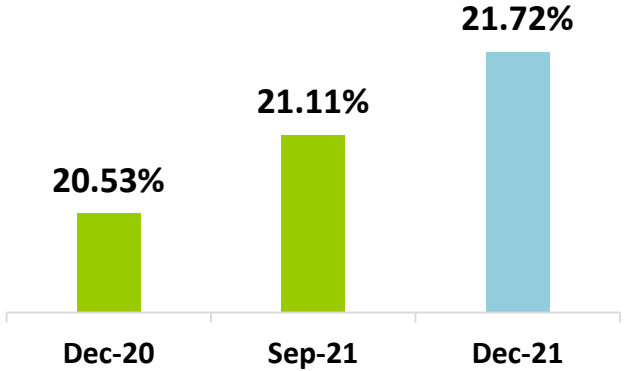


Rs. Crores

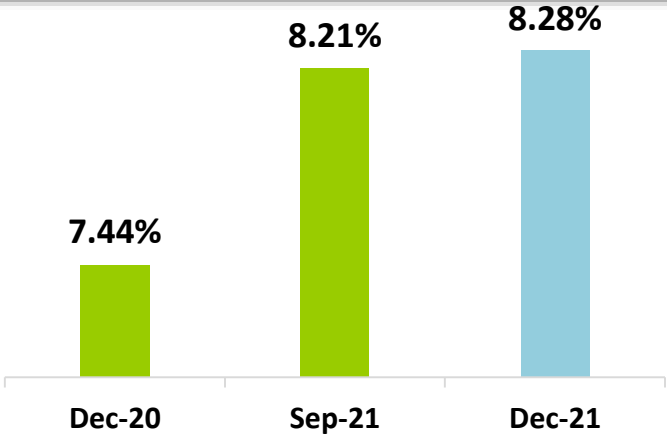
Particulars	Quarter ended				Growth	
	Dec 20	Sep 21	Dec 21		YOY	QOQ
<b>Assets Under Management</b>	<b>28546</b>	<b>30425</b>	<b>32247</b>		<b>13.0%</b>	<b>6.0%</b>
Interest Income	1439	1584	1702		18.2%	7.4%
Interest Expenses	522	616	649		24.4%	5.3%
<b>Net Interest Income</b>	<b>918</b>	<b>968</b>	<b>1053</b>		<b>14.7%</b>	<b>8.7%</b>
Operating Expenditure	357	389	447		25.1%	15.0%
<b>Pre Provision Profits</b>	<b>560</b>	<b>579</b>	<b>606</b>		<b>8.1%</b>	<b>4.5%</b>
Provisions & Write offs	175	203	218		24.5%	7.7%
<b>Profit Before Tax</b>	<b>385</b>	<b>377</b>	<b>387</b>		<b>0.7%</b>	<b>2.8%</b>
Taxes	105	94	95		-9.8%	0.5%
<b>Profit After Tax</b>	<b>280</b>	<b>282</b>	<b>293</b>		<b>4.6%</b>	<b>3.6%</b>

# Key Financial Metrics (contd.)

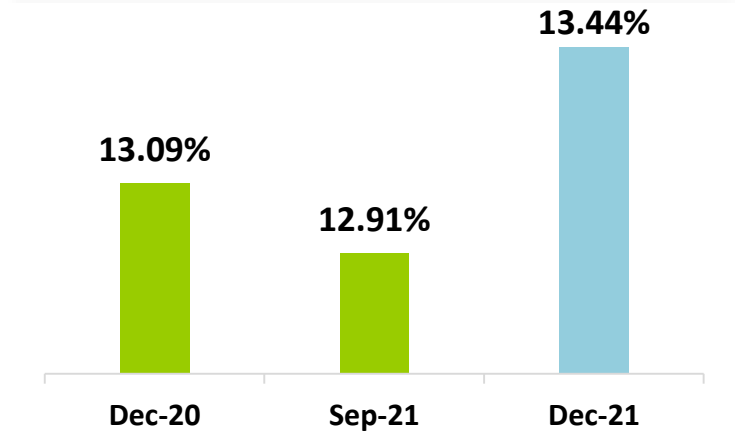
## Yield on Assets



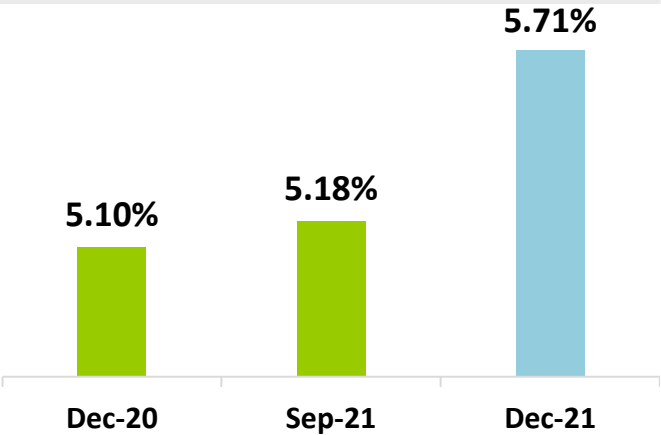
## Finance Cost



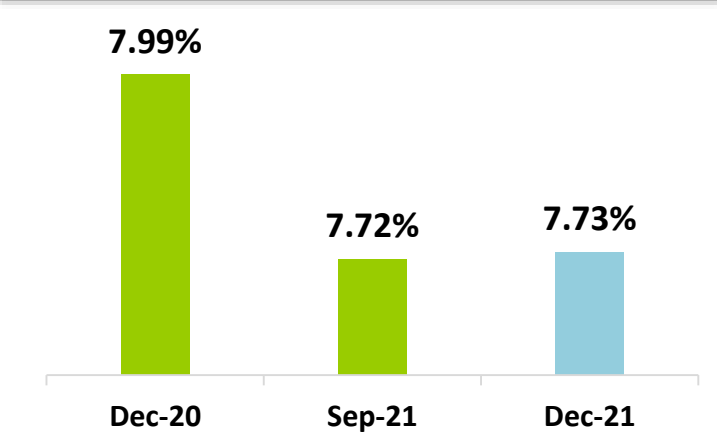
## Net Interest Margin



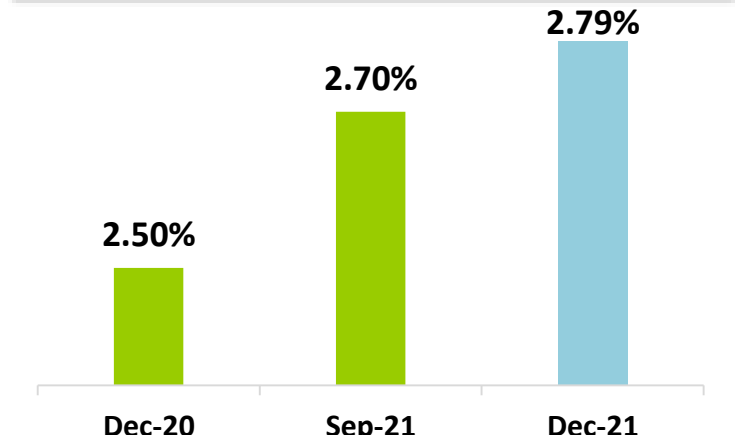
## Operating Expenses



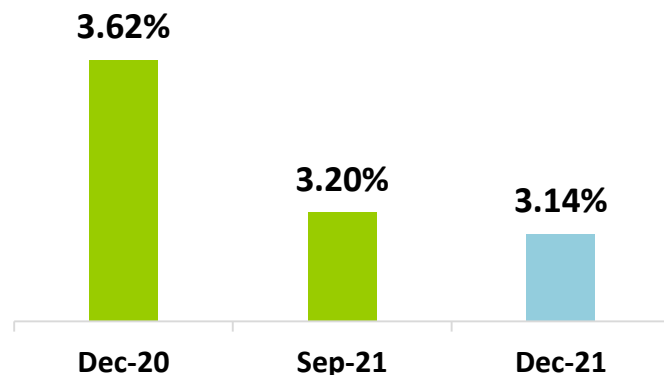
## Pre Provision Profits



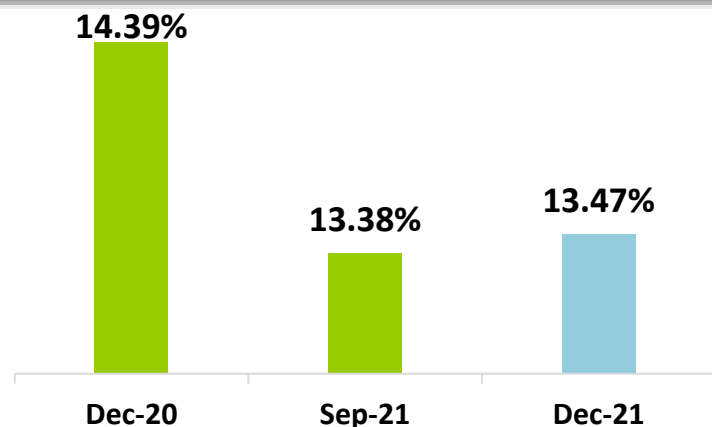
## Credit Costs



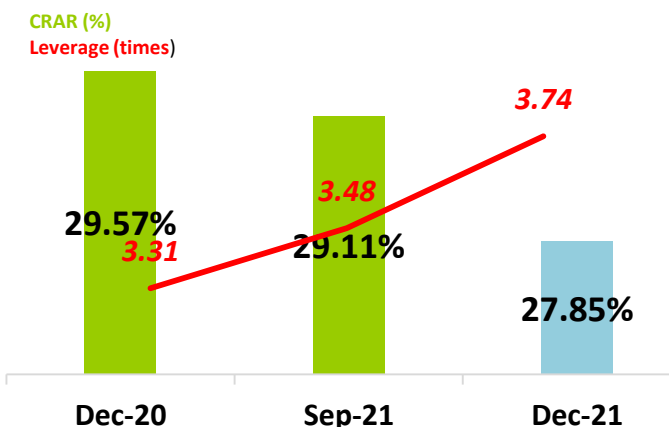
## Return on Assets (%)



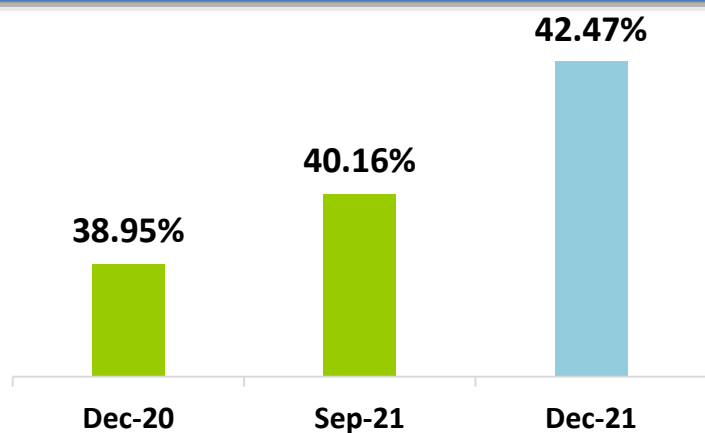
## Return on Net worth



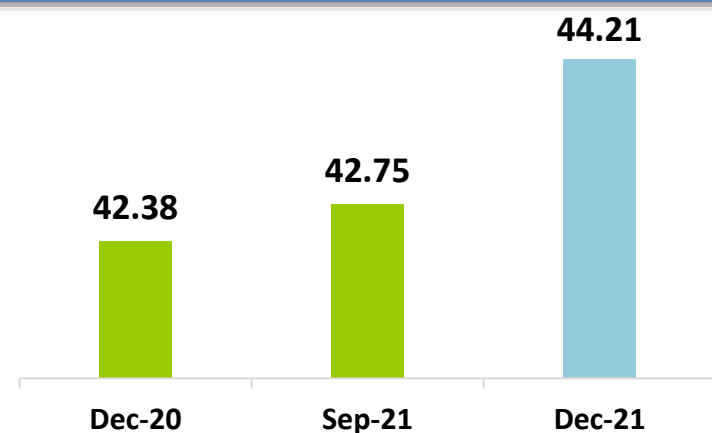
## CRAR & Leverage



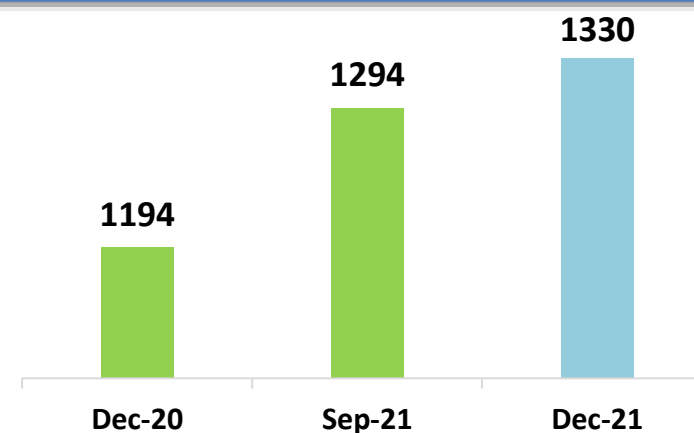
## Cost to income ratio (%)



## Earnings Per Share (Rs.)



## Book Value Per Share (Rs.)





**Standalone Numbers**

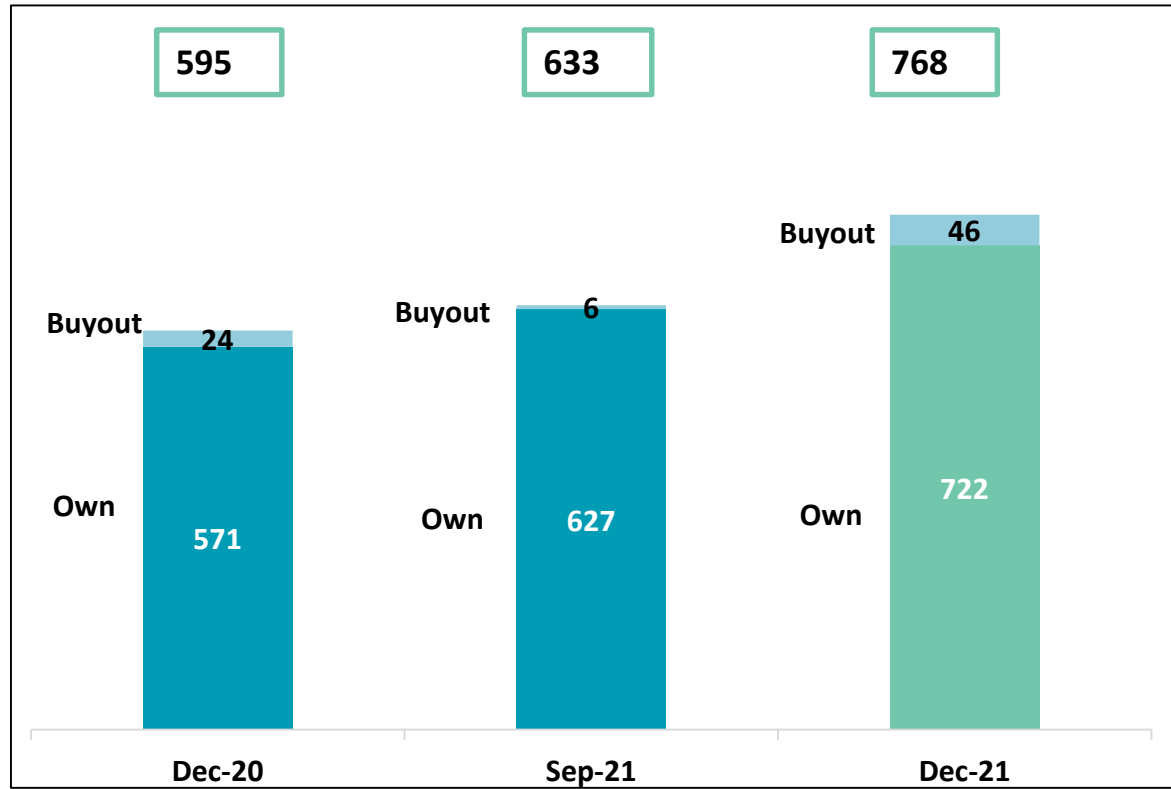
# Executive Summary - SHFL

- Disbursements of Rs. 768 Cr in Q3FY22 as against Rs. 633 Cr in Q2FY22 and Rs. 595 Cr in Q3FY21, a YOY growth of 29% and QOQ growth of 21%. Q3 originations are the highest since inception.
- Assets Under Management: Rs. 4606 Cr versus Rs. 4255 Cr in Q2FY22 and Rs. 3138 Cr IN Q3FY21, representing a growth of 47% YOY and 8% QOQ.
- Lowest Gross Stage 3 of 1.49% (on-books: 1.72%) since March 2014. With impact of RBI Circular of 12<sup>th</sup> Nov.'21, the Gross Stage 3 is 2.47%
- “Griha Poorti”, the cross-sell initiative undertaken in Andhra Pradesh and Telangana has been very successful and contributes 11% of quarterly home loan originations. Griha Poorti is now being extended to Gujarat where 40 locations will be activated in Q4FY22
- Key features of “Griha Poorti”: 100% direct origination, 100% home loans, yield of 13.2% (which is better than country average by 100 bps).
- Average ticket size of retail portfolio : Rs. 16 Lacs. Home loan yield of 12.1%.
- Collection efficiency of 100.3% in December 2021.
- Strong liquidity back up of Rs. 1557 Cr. in the form of free cash & bank balances and unavailed credit lines.
- Incremental borrowing cost declined by 104 bps QOQ to 6.84%. NHB refinance availed.
- Cost of borrowings declined by 88 bps YOY and 18 bps QOQ to 8.23%.
- Comfortable ALM position with nil negative mismatch on cumulative basis.

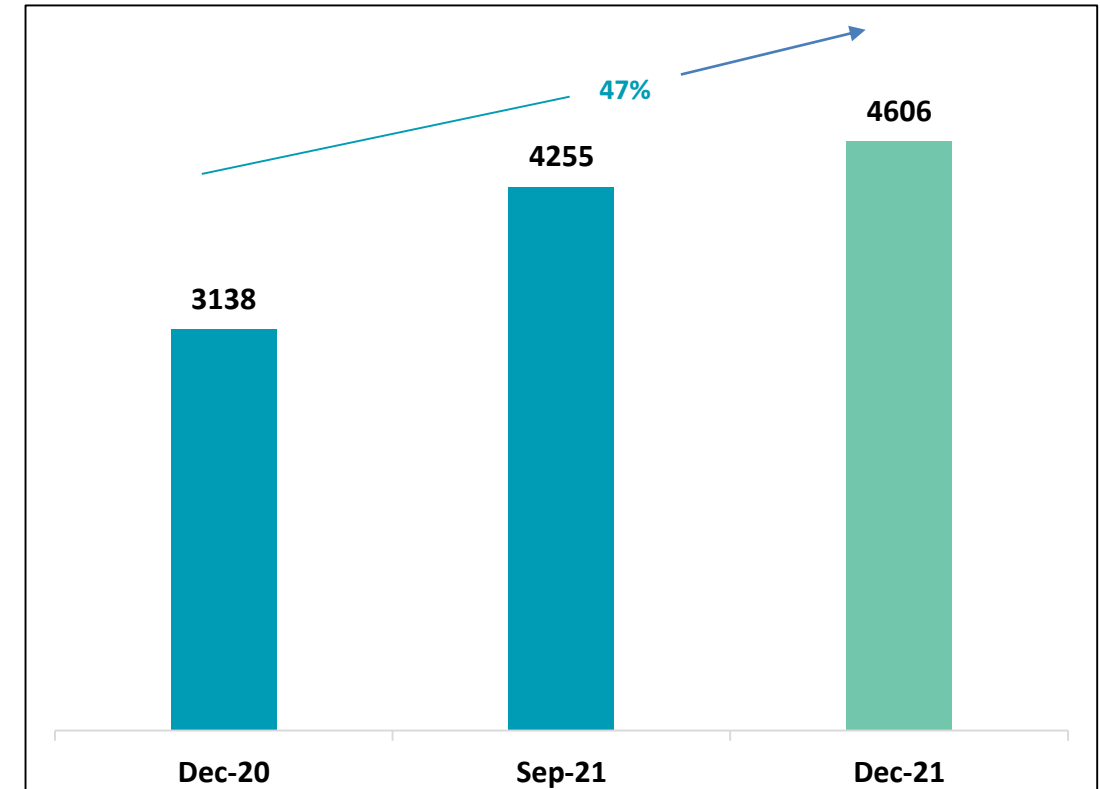
# Disbursements & Assets Under Management - SHFL

Rs. Crores

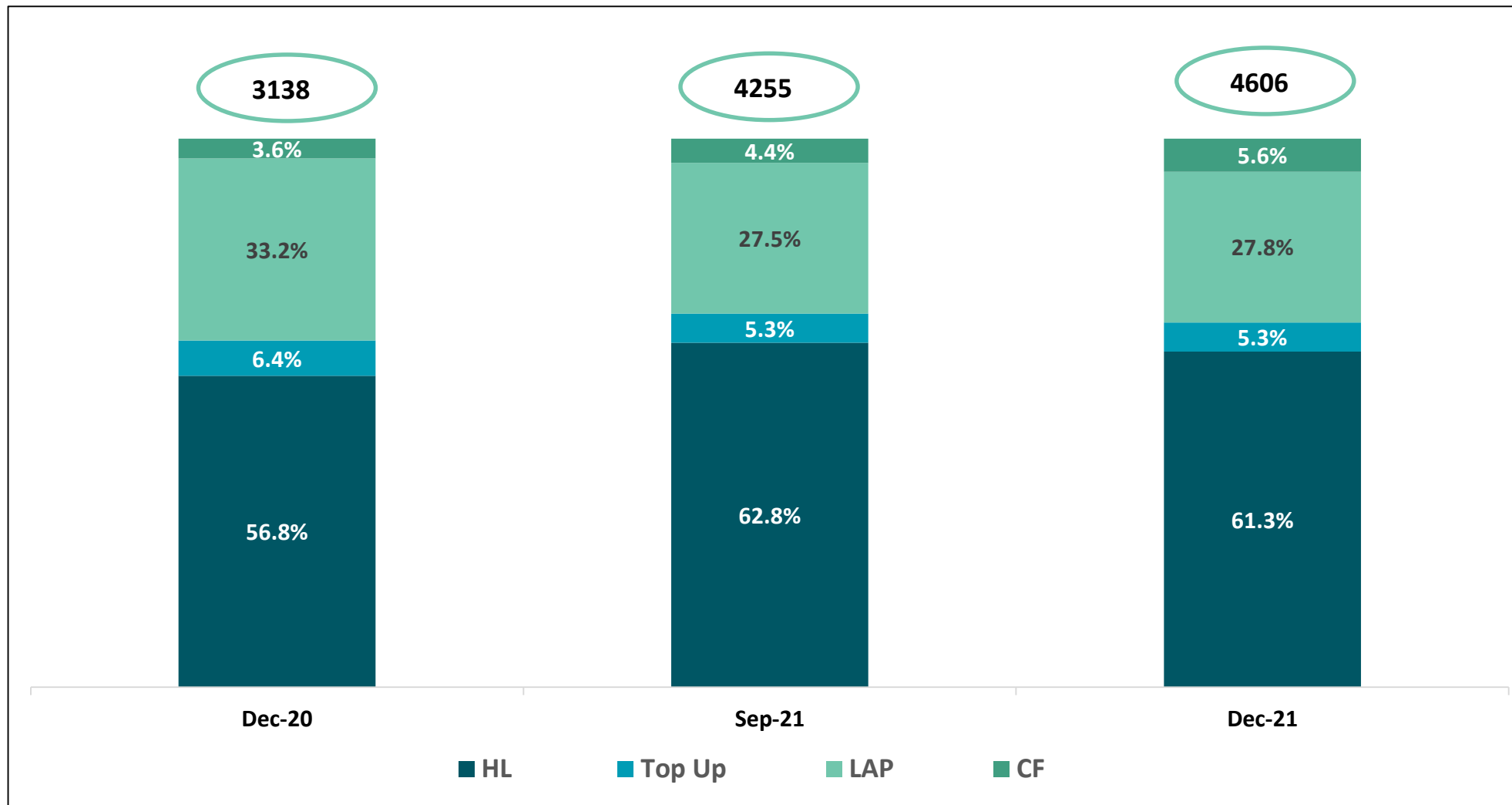
Quarterly Disbursement Trend



AUM Trend



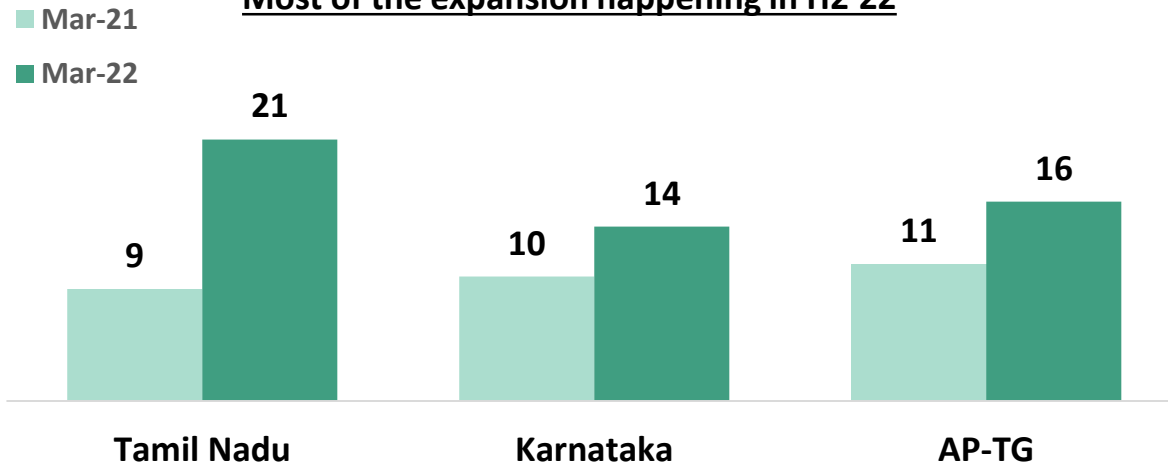
Rs. Crores



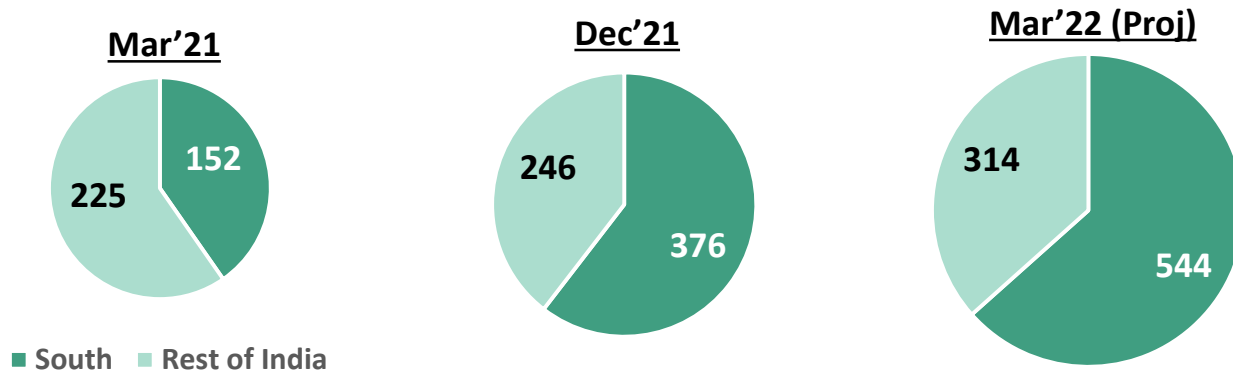
# Investing in Growth - SHFL

## Branch Network Expansion in South

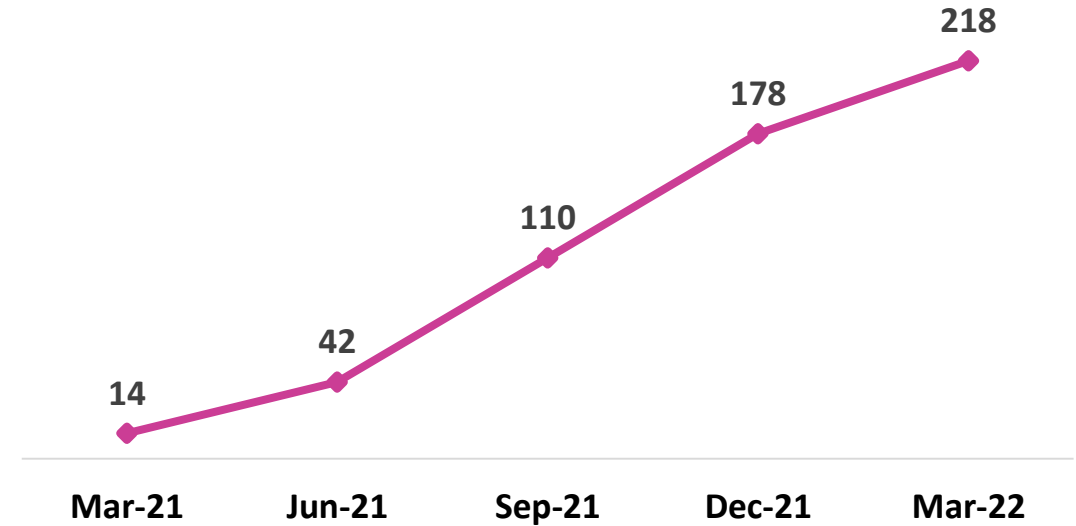
Most of the expansion happening in H2'22



## Sales Manpower Distribution – beefing up distribution in South



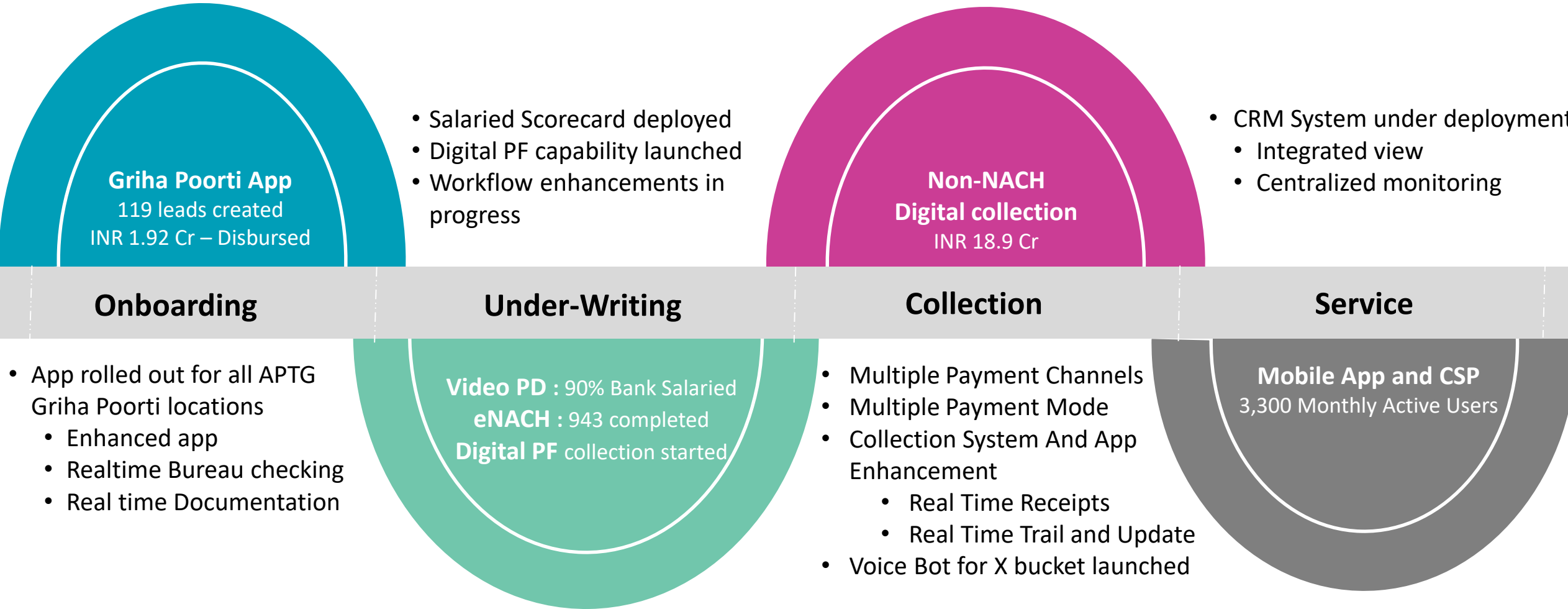
## Griha Poorti : Expanding footprint in Gujarat now



- Activated all targeted 178 Griha Poorti locations in APTG. Expanding Grihapoorti to Gujarat – 40 locations to be activated by March
- Expansion of distribution network in TN and Karnataka kick-started
- Planned investment of ~15 Cr on account of above expansion in FY21-22; benefits to accrue in next financial year

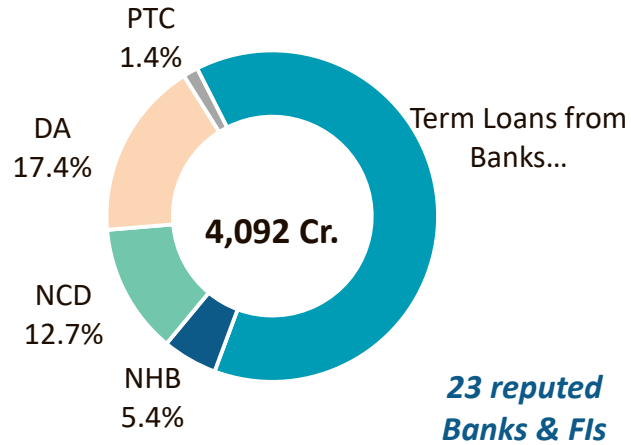


# Customer lifecycle digitization - SHFL



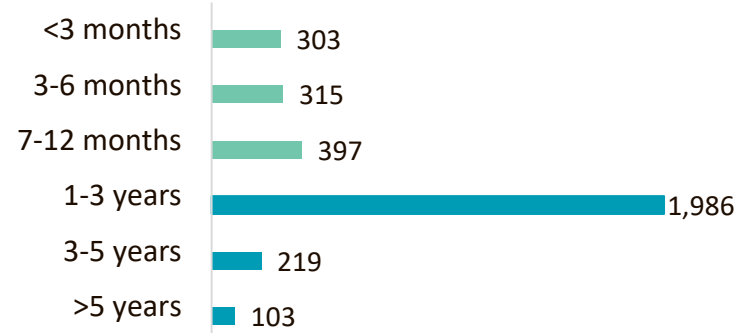
# Borrowings Profile - SHFL

## Diverse lender base



## Stable long-term funding \*

Debt Maturity Profile (INR Cr.)



\* Excludes Securitization (DA & PTC)

## Augmented by high credit ratings



AA (CWP#)



AA (Positive)

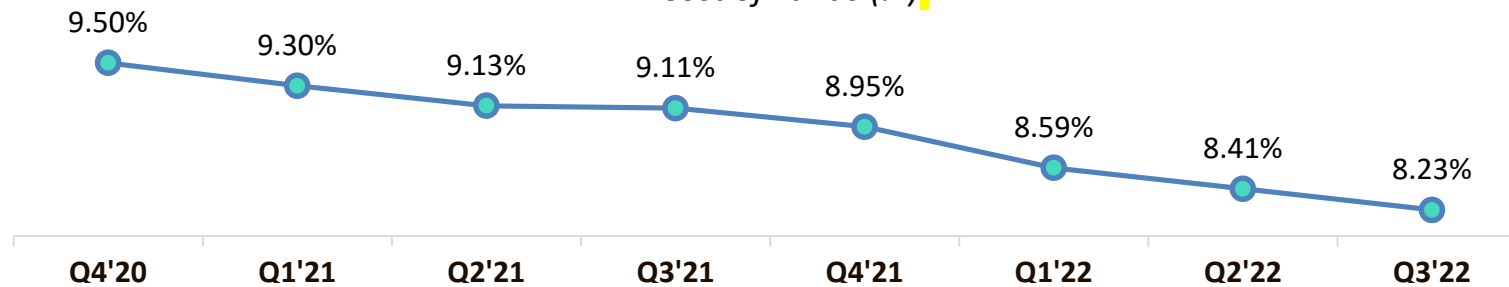


AA (CWP#)

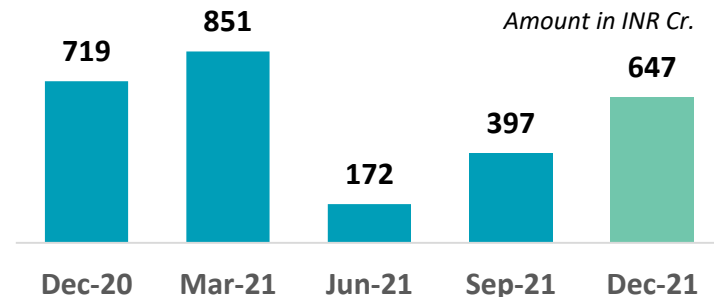
# Credit Watch Positive

## Consistent Decline in Cost of Funds

Cost of Funds (%)



## Debt raise trend



# Provisions Analysis (ECL computation under Ind-AS) - SHFL

Rs. Crores

Particulars (INR Crore)	31-Dec-21	30-Sep-21	31-Dec-20
Gross Stage 1 & 2	3,794.3	3,650.6	2,577.2
ECL Provision Stage 1 & 2	26.4	26.6	21.5
Net Stage 1 & 2	3,767.9	3,624.0	2,555.7
<b>ECL Provision % Stage 1 &amp; 2</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.8%</b>
Gross Stage 3 (Regular)	66.9	71.3	63.4
Gross Stage 3 (RBI Circular dated 12 <sup>th</sup> Nov'21)	29.2	-	-
<b>Gross Stage 3</b>	<b>96.1</b>	<b>71.3</b>	<b>63.4</b>
ECL Provision Stage 3 (Regular)	15.1	16.2	12.9
ECL Provision Stage 3 (RBI Circular dated 12 <sup>th</sup> Nov'21)	4.2	-	-
Net Stage 3	76.8	55.1	50.5
<b>Coverage Ratio % Stage 3</b>	<b>20.0%</b>	<b>22.7%</b>	<b>20.3%</b>
Gross Assets	3,890.4	3,721.9	2,640.6
Total Provision (Including Special COVID Provision)	54.2	49.8	47.4
Net Assets	3,836.2	3,672.1	2,593.2
<b>Total Provision (including COVID Provision) / Gross Assets (%)</b>	<b>1.4%</b>	<b>1.3%</b>	<b>1.8%</b>
<b>Provision Coverage Ratio (%)</b>	<b>56.4%</b>	<b>69.8%</b>	<b>74.8%</b>

Note: Additional provision of 3.6 Cr INR done in INDAS on loans classified as Stage-3 on account of RBI Circular to match existing IRAC provision

# Key Financial Metrics - SHFL

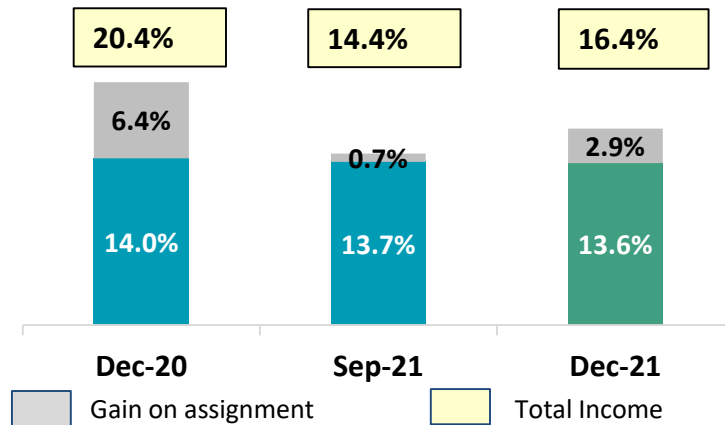
Rs. Crores

Particulars	Quarter ended				Growth	
	Dec 20	Sep 21	Dec 21		YOY	QOQ
<b>Loan Book</b>	<b>2641</b>	<b>3722</b>	<b>3890</b>		<b>47.3%</b>	<b>4.5%</b>
Total Income	130.2	129.6	157.8		21.2%	21.8%
Interest Expense	53.4	70.1	70.3		31.7%	0.2%
<b>Net Interest Income</b>	<b>76.8</b>	<b>59.5</b>	<b>87.5</b>		<b>13.9%</b>	<b>47.2%</b>
Operating Cost	29.8	35.8*	43.0*		44.1%	20.2%
<b>Pre Provision Profits</b>	<b>46.9</b>	<b>23.7</b>	<b>44.5</b>		<b>-5.2%</b>	<b>87.8%</b>
Provisions & Write offs	13.5	-1.8	6.1		-54.5%	Not comparable
<b>Profit Before Tax</b>	<b>33.5</b>	<b>25.5</b>	<b>38.4</b>		<b>14.6%</b>	<b>50.8%</b>
Taxes	9.2	6.7	9.8		6.4%	46.5%
<b>Profit After Tax</b>	<b>24.3</b>	<b>18.8</b>	<b>28.6</b>		<b>17.7%</b>	<b>52.3%</b>

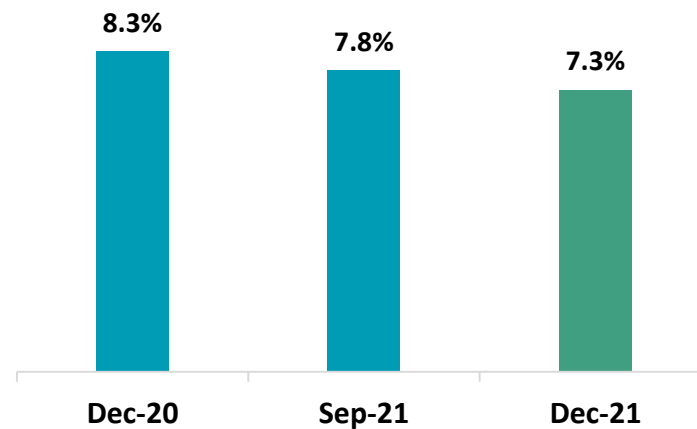
\*Expenses include ~4.5 Cr. investment in Griha Poorti (~2.5 Cr. in Q2FY22), benefit to accrue in the coming quarters.

# Key Financial Metrics & Ratios - SHFL

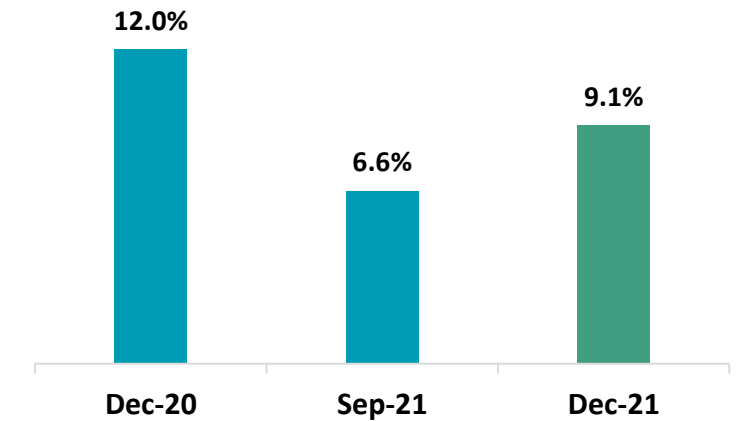
## Yield on Assets



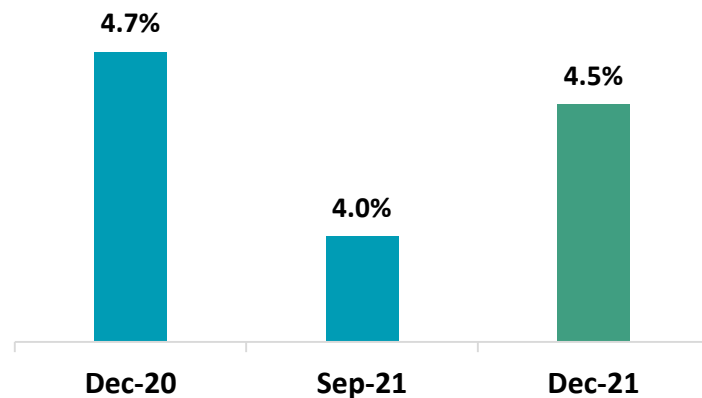
## Interest Expenses



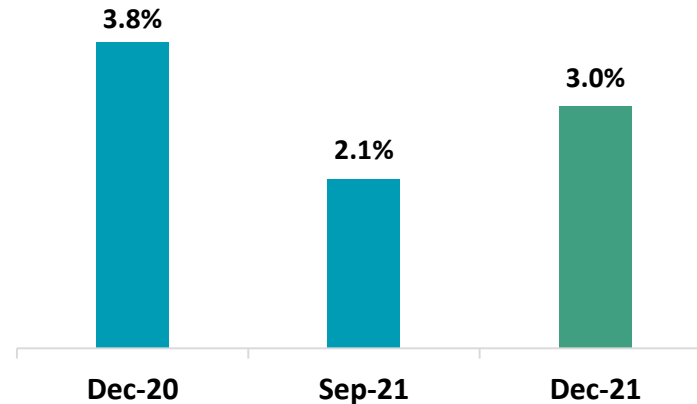
## NIM



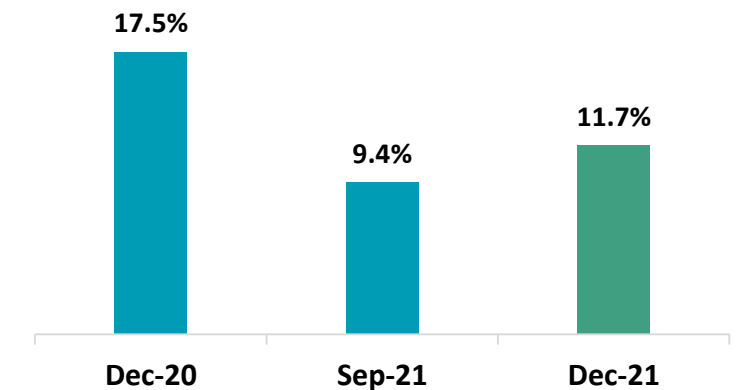
## Operating Expenses



## ROA



## ROE



**Note:** All numbers are calculated as % of Avg. Loan book, ROE as % of Avg. Net-worth

*Thank You*

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