



Press Release

Shriram City Union Finance Posts Record Disbursements of INR 9,069

Cr, up 28.5% YoY in Q2FY23 (Consol)

- Assets Under Management (AUM) Rose by 23% YoY to INR 42,663 Cr
- PAT up by 27.2% to INR 383 Cr

Mumbai, October 21, 2022: Shriram City Union Finance Ltd. (Shriram City), a leading Small Enterprise Financer and among the largest two-wheeler financer (based on the number of 2W financed) announced the financial results for Q2FY23. On a consolidated basis, the company's disbursements rose by the highest ever to INR 9,069 Cr, up 28.5% YoY, backed by the improving economic activity and strong revival in Small Enterprise Finance, robust demand for gold loans, improving 2-wheeler demand and affordable housing. Assets Under Management (AUM) of INR 42,663 Cr, increased by 23% YoY and Consolidated Profit After Tax rose by 27.2% to INR 383 Cr in Q2FY23. The consolidated results include Shriram City and Shriram Housing Finance Limited. Shriram City posted strong disbursements, better yields and higher margins which enabled the company to post the highest-ever profitability metrics.

On a Standalone Basis: Shriram City reported its best quarterly disbursements of INR 8,020 Cr, up 24.9% YoY, while AUM rose by 18.7% YoY to INR 36,117 Cr. Net interest income rose to a record INR 1,231 Cr, up 27%. PAT rose to a record INR 349 Cr in Q2FY23. Asset quality improved with Gross NPAs declining 18 bps QoQ to 5.93% in Q2FY23 (6.11%: Q1FY23). The company has a liquidity backup worth INR 4,559 Cr as of the end-Q2FY23.

Segment Break-up: Small Enterprise, Gold and Personal loan disbursements grew at the fastest pace with the pick-up in momentum in rural and semi-urban demand. Small Enterprise Finance contributed 42% of the total AUM and disbursements stood at INR 2,129 Cr in Q2FY23. The company, the largest Two-Wheeler (2W) financer has witnessed strong loan disbursements from rural India. The Company has expanded all products in Shriram Transport Finance states helping it gain market share. Personal Loan demand for credit-tested Shriram customers has been strong.

Shriram Housing Finance Ltd, a subsidiary of Shriram City and a leading affordable home financier had a stellar Q2FY23. The company's AUM grew by 54% YoY to INR 6,546 Cr. The growth has been driven by the record disbursement of INR 1,049 Cr, up 66% YoY. The company has maintained an accelerated growth momentum with AUM growing at 52% CAGR over the last

3 years, coupled with consistent improvement in asset quality. The Profit After Tax for Q2FY23 was INR 34 Cr, an 81% YoY growth. The company widened the distribution network to 112 branches and 211 touchpoints across the Shriram Group network so far and expects to end the financial year with ~150 branches. Shriram Housing Finance is today the 4th largest affordable housing financier in India, with the widest distribution network in South India.

Merger Update: The Company has received approvals for the merger of Shriram City with Shriram Transport Finance from SEBI, BSE, NSE, shareholders, secured creditors, unsecured creditors, Competition Commission of India and the Insurance Regulatory & Development Authority. We now await the final approval of the amalgamation scheme from the National Company Law Tribunal. In preparation to commence operations in the merged entity, Shriram City has launched the business as a merged entity across 1200+ branches and five geographical units. This endeavour is being scaled up progressively.

Commenting on the financial results Mr **Y.S. Chakravarti, MD & CEO, Shriram City** said: “Economic activity has picked up in 1HFY23 driving demand for credit from rural and semi-urban markets and we expect this momentum to sustain. The healthy operational performance of Shriram City has been driven by robust customer addition, new loans by small enterprises, all products added in Shriram Transport branches and aided by the digital ecosystem. Our subsidiary, Shriram Housing Finance’s AUM crossed INR 6,500 cr and is today the 4th largest affordable housing financier in India with strong growth prospects as it expands its distribution network across the merged entities. The integration for the merger is well underway and we are working as a single unit already.”

About Shriram City Union Finance

Shriram City Union Finance (Shriram City; BSE: SHRM CITY, NSE: SHRIRAMCIT), a 35-year-old company and part of the Shriram Group, is one of India’s leading non-banking finance companies. Focused on the rural and semi-urban sectors, the Company has over 4.9 million customers and has an Asset Under Management of around INR 426.6 Billion. The Company is a leading financier to Small Business Enterprises, is the largest two-wheeler financier, provides Gold loans and also has a Housing Finance Subsidiary, Shriram Housing Finance Ltd with an AUM of INR 65 Billion. Shriram City has 1,021 branches and an employee strength of over 30,606 across India as of 30 Sept 2022. The company's Long term credit rating is at AA by CRISIL, ICRA and India Ratings. Shriram City has been named one of the Best Places to Work in India in 2021 by AmbitionBox, an Info Edge subsidiary.

About Shriram Group

Shriram Group is India’s leading financial conglomerate with a dominant presence in commercial vehicle (CV) financing, retail financing, chit fund, equipment financing, housing finance, life insurance, general insurance, stockbroking, distribution of financial products, and wealth advisory services. The Group focuses on serving the underserved and is driven by its Financial Inclusion agenda of bringing finance to low-income families and small businesses. Shriram Capital Limited is the holding company for the Financial Services (Shriram City Union Finance Limited & Shriram Transport Finance Limited) and Insurance entities (Shriram General Insurance Company Limited

& Shriram Life Insurance Company Limited) of the Shriram Group. Shriram Housing Finance Limited is a subsidiary of Shriram City Union Finance Limited. The lending and insurance companies were created with the primary objective of optimizing the synergies across the Group entities.

Shriram Group together has an overall customer base of over 22.5 Million, with around 79,100 employees across 4,000 branches. Net profit of INR 53.6 billion with Assets Under Management (AUM) of over INR 2.16 trillion (as of Mar-22).

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