



Press Release

Shriram City Union Finance's Consolidated AUM Rises 21% to INR

40,414 Cr

- Disbursements Rose by 82% YoY to INR 8,726 Cr
- PAT up 60.9% to INR 354 Cr

Mumbai, July 27, 2022: Shriram City Union Finance Ltd. (Shriram City), a leading financier to Small Business Enterprises and India's largest two-wheeler financier (based on number of 2W financed) and part of the Shriram Group announced the financial results for Q1FY23 today. On a consolidated basis, the company's disbursements rose by 82% YoY to INR 8,726 Cr, backed by a strong revival for Micro, Small and Medium Enterprises (MSME), gold and 2-wheeler loans. Assets Under Management (AUM) of INR 40,414 Cr, increased by 21% YoY and Consolidated Profit After Tax rose by 60.9% to INR 354 Cr in Q1FY23. The consolidated results include Shriram City and Shriram Housing Finance Limited. Shriram City posted the highest ever consolidated profitability at INR 303 Cr.

On a Standalone Basis: Shriram City reported its best quarterly disbursements of INR 7,931 Cr, up 73.9% YoY, while AUM rose by 16.9% YoY to INR 34,611 Cr. PAT rose to a record INR 323 Cr in Q1FY23. Asset quality improved with Gross NPAs declining 20 bps QoQ to 6.11% in Q1FY23 (6.31%: Q4FY22). The company has a liquidity backup worth INR 6,600 Cr as of the end-Q1FY23.

Segment Break-up: MSME, 2-wheeler and Personal loan disbursements grew at the fastest pace driving overall growth. MSME loans contributed 43% of the total AUM and disbursements almost doubled to INR 2,044 cr in Q1FY23. The company, the largest Two-Wheeler (2W) financier has witnessed strong loan disbursements from rural India. The Company has expanded its Gold loans business in the northern region helping it capture market share there. Personal Loans to credit-tested Shriram customers have led to higher disbursement in PL.

Shriram Housing Finance Ltd, a subsidiary of Shriram City and a leading affordable home financier had a strong Q1FY23. The company saw its AUM grow by 48% YoY to INR 5,803 Cr. The growth has been driven by the robust disbursement run rate of over INR 750 Cr consistently for the last 3 quarters, backed by widening the distribution network to 100+ branches and 211 touchpoints across the Shriram Group network so far, and rising demand for affordable home finance. PAT was recorded at INR 30.2 Cr and grew by 37% QoQ and 178% YoY. Shriram Housing

Finance is among the top 5 affordable housing financiers 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 and unsecured creditors. The Company now awaits approvals from the Competition Commission of India, Insurance Regulatory & Development Authority and National Company Law Tribunal. In preparation to commence operations in the merged entity, Shriram City has launched the business as a merged entity across 650+ branches and five geographical units. This endeavour will be scaled up progressively.

Commenting on the financial results Mr **Y.S. Chakravarti, MD & CEO, Shriram City** said: “We have had a stellar Q1 driven by rising demand for credit from rural and semi-urban markets against the backdrop of a favourable macroeconomic environment. Across the financial parameters, we have excelled – record disbursements, improved asset quality, higher margins, credit cost moderated and ample liquidity buffers. The revival in the MSME ecosystem has resulted in stronger demand for credit than the pre-pandemic levels. Our subsidiary, Shriram Housing Finance’s AUM crossed INR 5,800 cr and is one of the top affordable housing financiers in India. Shriram Housing Finance has grown faster than the industry, coupled with maintaining impeccable asset quality and its growth prospects ride on expanding its distribution across the merged entities. The merger is progressing well and we are set to hit the ground running as Shriram Finance before the close of this year.”

About Shriram City Union Finance

Shriram City Union Finance (Shriram City; BSE: SHRMCITY, 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 4.55 million customers and has an Asset Under Management of around INR 404.1 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 58 Billion. Shriram City has 986 branches and an employee strength of over 28800 across India as of 30 Jun 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).

Media Contact information:

Diana Monteiro
DVP - Corporate Communications
Shriram Group
Mobile: +91 9820779897
E-mail: diana@shriram.com