

Ref: STEC NSE/BSE 666/2022

October 7, 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

This is to inform you that India Ratings and Research Pvt Ltd (“India Ratings”) and CARE Ratings Limited (“CARE”) have withdrawn its ratings on Fixed Deposits as the ratings are not used by the Company as mentioned below.

CARE

Sl. No.	Instrument	Amount (₹ in crores)	Rating	Rating Action
1.	Non Convertible Debentures - XXIII	195	CARE AA (CWP) (Double A) (Under Credit Watch with Positive Implications)	Continues to be on Credit Watch with Positive Implications
2.	Non Convertible Debentures - XXVIII	1297.27 (Reduced from 1464.93)	CARE AA (CWP) (Double A) (Under Credit Watch with Positive Implications)	Continues to be on Credit Watch with Positive Implications
3.	Non Convertible Debentures - XXVI			Withdrawn
4.	Fixed Deposit			Withdrawn
5.	Commercial Paper	3000	CARE A1+ (A One Plus)	Re-affirmed

INDIA RATINGS

Sl. No.	Instrument	Size of Issue (billion)	Rating/ Outlook	Rating Action
1.	Bank Loan	INR 15	IND AA/Positive	Assigned
2.	Principal Protected Market Linked Debentures	INR 17	IND PP-MLD AAemr / Positive	Affirmed
3.	Non Convertible Debentures (NCDs)	INR 45	IND AA/Positive	Affirmed
4.	Bank Loan	INR175	IND AA/Positive	Affirmed
5.	Fixed Deposit Programme		WD	Withdrawn (the Company did not proceed with the instrument as envisaged)

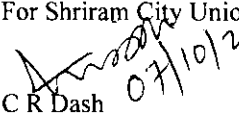
The Rating letter by India Ratings and CARE Ratings Limited dated October 3, 2022 is enclosed.

This is an intimation under Regulation 30 read with Schedule III (Part A) (3) 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

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

No. CARE/CRO/RL/2022-23/1197

Shri R Chandrasekar
Chief Financial Officer
Shriram City Union Finance Limited
221, Royapettah High Road,
Mylapore,
Chennai
Tamil Nadu 600004

October 03, 2022

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your Company for FY22 (Audited) and Q1FY23 (Provisional), announcements by the board of directors of the company approving a composite scheme of arrangement and amalgamation involving various Shriram Group entities and the possible impact of the same on the credit profile of your company, our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1.	Non-Convertible Debentures-XXIII	195.00	CARE AA (CWP) (Double A) (Under Credit watch with Positive Implications)	Continues to be on Credit watch with Positive Implications
2.	Non-Convertible Debentures- XXVIII	1,297.27 (Reduced from 1,464.93)	CARE AA (CWP) (Double A) (Under Credit watch with Positive Implications)	Continues to be on Credit watch with Positive Implications
	Total Instruments	1,492.27 (Rs. One Thousand Four Hundred Ninety-Two Crore and Twenty-Seven Lakhs Only)		

- Refer **Annexure 1** for details of rated instruments.
- CARE Ratings Ltd. will take a view on the ratings once the exact implications of the above on the credit risk profile of the company are clear

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.
CARE Ratings Limited

4. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors
-----------------	------	--------------------	-------------	----------------------	---------------------	-----------------	---	-----------------------------

5. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as **Annexure 2**. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by October 4, 2022, we will proceed on the basis that you have no any comments to offer.
6. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.
10. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

CARE Ratings Limited

Unit No. O-509/C, Spencer Plaza, 5th Floor
No. 769, Anna Salai, Chennai – 600 002.
Tel: +91 -44-2849 0811 / 13/ 76

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



Kritarth Aneja
Analyst
Kritarth.Aneja@careedge.in

Ravi Shankar R
Assistant Director
ravi.s@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Limited

Unit No. O-509/C, Spencer Plaza, 5th Floor
No. 769, Anna Salai, Chennai – 600 002.
Tel: +91 –44-2849 0811 / 13/ 76

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

Annexure 1
Details of Rated Instruments

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Amount (Rs. Crore)
NCD-XXIII	INE722A07786	05-Dec-17	8.09%	05-Dec-22	80.00
	INE722A07802	26-Mar-18	8.90%	27-Mar-23	115.00
NCD-XXVIII	INE722A07950	30-Apr-19	NA	30-Apr-24	20.94
	INE722A07943	30-Apr-19	9.35%	30-Apr-24	35.06
	INE722A07935	30-Apr-19	9.75%	30-Apr-24	66.15
	INE722A07AC4	25-Sep-19	9.45%	25-Sep-24	11.06
	INE722A07AD2	25-Sep-19	NA	25-Sep-24	5.64
	INE722A07AB6	25-Sep-19	9.85%	26-Sep-24	52.27
	Proposed	-	-	-	1106.15
Total Instruments					1492.27

R

CARE Ratings Limited

Unit No. O-509/C, Spencer Plaza, 5th Floor
No. 769, Anna Salai, Chennai – 600 002.
Tel: +91 -44-2849 0811 / 13/ 76

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

Annexure-2
Press Release
Shriram City Union Finance Limited

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ²	Rating Action
Non-convertible debentures-XXIII	195.00	CARE AA (CWP) (Double A) (Under Credit Watch with Positive Implications)	Continues to be on Credit Watch with Positive Implications
Non-convertible debentures-XXVIII	1,297.27 (Reduced from 1,464.93)	CARE AA (CWP) (Double A) (Under Credit Watch with Positive Implications)	Continues to be on Credit Watch with Positive Implications
Non-convertible debentures- XXVI	-	-	Withdrawn
Total long-term instruments	1,492.27 (₹ One thousand four hundred ninety-two crore and twenty-seven lakh only)		
Fixed deposit	-	-	Withdrawn
Total medium-term instruments	0.00 (₹ Zero only)		
Commercial paper	3,000.00	CARE A1+ (A One Plus)	Reaffirmed
Total short-term instruments	3,000.00 (₹ Three thousand crore only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers for the credit enhanced debt

The ratings assigned to the various debt instruments of Shriram City Union Finance Limited (SCUF) continue to factor in the benefits derived from being part of the Shriram group, the experienced management team, the long track record of operations, the established market position of SCUF in the rural and semi-urban regions, the fairly diversified product profile, and the comfortable capital adequacy levels with healthy internal accruals. The ratings also factor in the continuation of good profitability despite a slight moderation in FY22 (refers to the period from April 01 to March 31).

The ratings are, however, constrained by the regional concentration of its loan portfolio, the relatively high stage III levels, and the risks associated with its customer base which is relatively less organised.

The ratings continue to be on 'Credit Watch with Positive Implications' following the announcement by the board of directors of SCUF approving a composite scheme of arrangement and amalgamation (scheme) involving various Shriram group entities. Under the scheme, (i) Shrelekha Business Consultancy Private Limited (SBCPL) will be amalgamated with Shriram Capital Limited (SCL), (ii) undertakings from SCL, carrying on the businesses of financial services, will be demerged and vested thereof into Shriram Investment Holdings Limited (SIHL), (iii) undertakings from SCL carrying on the businesses of a) life insurance and b) general insurance, will be demerged and vested thereof into a) Shriram LI Holdings Private Ltd (SLIH) and b) Shriram GI Holdings Private Limited (SGIH), respectively, (iv) SCL (with its remaining undertaking and investments) will be amalgamated with Shriram Transport Finance Company Limited (STFC; rated 'CARE

²Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

R

AA+; Stable/CARE A1+') and, (v) SCUF will be amalgamated with STFC. The name of STFC (merged entity) will be changed to Shriram Finance Limited (SFL). Shriram Housing Finance Limited (SHFL), a subsidiary of SCUF, will become a subsidiary of SFL with 85.02% shareholding and SFL will hold 44.56% in Shriram Automall India Ltd. All other businesses, including insurance, will be held separately outside the listed entity, ie, SFL. The scheme is subject to the receipt of approvals from regulatory authorities as may be required. CARE Ratings Limited (CARE Ratings) will closely follow the developments in this regard and will consider taking appropriate rating actions in due course.

CARE Ratings has withdrawn the rating assigned to the fixed deposits of SCUF, with immediate effect. The above action has been taken at the request of SCUF, as the company has not used the rating assigned by CARE Ratings for mobilising funds, and there is no amount outstanding under the said issue as on date.

Rating sensitivities

Positive factors – Factors that could lead to positive rating action/upgrade:

- Significant improvement in the scale of operations with improvement in asset quality parameters.
- Improvement in the geographical diversification of the loan portfolio while maintaining profitability and capitalisation on a sustained basis.

Negative factors – Factors that could lead to negative rating action/downgrade:

- Absence of any improvement in the gross non-performing assets (GNPA) level, with the GNPA remaining around 9% on a sustained basis.
- Weakening of the return on total assets (ROTA) below 2% on a sustained basis.
- Weakening of the capital adequacy levels, with the capital adequacy ratio (CAR) below 18%.

Detailed description of the key rating drivers

Key rating strengths

Benefits derived from being part of the Shriram group and the highly experienced management team: SCUF is promoted by the Chennai-based Shriram group, which was started in 1974 by entering into the chit fund business. Over the years, the group has diversified into other segments in the financial services industry, including commercial vehicle (CV) finance, consumer and enterprise finance, life and general insurance, and financial product distribution. As on March 31, 2022, the promoter group (Shriram Capital Limited, Shriram Value Services Limited, and Shriram Ownership Trust) holds a 34.61% stake. Being part of the Shriram group, SCUF has access to a vast client base and branch network of the group companies like Shriram Chit Funds, STFC, etc. SCUF's management is also largely from the Shriram group and has significant experience in small ticket retail financing in semi-urban and rural areas. The operations are looked after by an experienced team headed by key management people having vast experience in the non-banking financial company (NBFC) industry. Also, the company's board of directors include representatives from the group having significant experience in retail financing. YS Chakravarti is the Managing Director, who has been associated with the Shriram group for more than two decades, and R Chandrasekar, the CFO, has an experience of more than 30 years.

Long track record and established market position in rural and semi-urban regions: Incorporated in 1986, SCUF has an established track record in retail financing and has a presence in the rural and semi-urban markets, which consist of the relatively under-banked segment. With total assets under management (AUM) of ₹33,186 crore and small business loans (SBL) AUM of ₹14,718 crore, the company has achieved a considerable market position in SBL, despite moderation in the last two years ended March 31, 2022. SCUF is one of the largest players in the SBL and two-wheeler finance segment, with a track record of over three decades. As on March 31, 2022, the two-wheeler loan book (used and new) stood at ₹8,789 crore.

R

Disbursements increased by 52% to ₹26,140 crore in FY22 from ₹17,154 crore in FY21. As a result, the AUM grew by 12% in FY22 to ₹33,186 crore as on March 31, 2022, from ₹29,570 crore as on March 31, 2021. The growth in FY22 is mainly attributed to the increase in personal loans (PL), two-wheeler loans, and auto loans (AL). Disbursements during Q1FY23 (refers to the period from April 01 to June 30) reached ₹7,931 crore and the AUM stood at ₹34,611 crore as on June 30, 2022.

Fairly diversified product profile; however, presence in the unorganised MSME and self-employed segment, which is relatively riskier: SCUF has a fairly diversified product portfolio in the retail finance segment, with SBL constituting 44% of the total AUM as on March 31, 2022, as against 51% as on March 31, 2021. The other products include two-wheeler loans constituting 23% (PY: 23%), loan against gold (LAG) with 12% (PY: 13%), personal loans with 12% (PY: 7%), with 2% (PY: 2%), used two-wheeler loans with 3% (PY: 4%), and loan against property (LAP) with 2% (PY: 1%) as on March 31, 2022.

SCUF primarily lends towards the business finance needs of the unorganised MSME segment and self-employed segment in the rural and semi-urban areas, which is characterised by the marginal credit profile of the borrowers, and are not serviced by the banking sector. This segment is highly susceptible to the impact of economic downturns.

Diversified resource profile: SCUF has a fairly diversified resource profile with access towards funds from banks, fixed deposits, and market instruments like non-convertible debentures (NCDs), sub debts, and commercial papers (CPs). SCUF's brand image in South India enables it to mobilise funds from institutions as well as from retail customers.

Borrowings from banks and financial institutions (FI)/NBFCs (term loan, cash credit (CC)/working capital demand loans (WCCL), and pass-through certificates (PTC)) stood at 39% and 17% as on March 31, 2022, as against 40% and 22% as on March 31, 2021, respectively. The borrowings through public deposit and NCDs/sub-debt stood at 22% and 21% as on March 31, 2022, as against 22% and 17% as on March 31, 2021, respectively. Notably, the outstanding CP was nil as on March 31, 2022.

Comfortable capitalisation: SCUF's capitalisation is comfortable, which is supported by an equity infusion in the past by both, the promoter group and external investors and healthy internal accruals. With a 12% growth in the loan portfolio and further investments of ₹500 crore in the subsidiary during FY22, the capital adequacy ratio (CAR) moderated to 26.78% as on March 31, 2022, from 28.64% as on March 31, 2021; however, it is still at a comfortable level. The overall gearing stood at 3.49x as on March 31, 2022.

Key rating weaknesses

Slight moderation in profitability during FY22: During FY22, SCUF reported a profit-after-tax (PAT) of ₹1,086 crore on a total income of ₹6,530 crore (pre-provision operating profit (PPOP): ₹2,349 crore) as against a profit-after-tax (PAT) of ₹1,011 crore on a total income of ₹5,737 crore (PPOP: ₹2,240 crore) during FY21. The net interest margin (NIM) moderated to 9.95% in FY22 from 10.58%, mainly due to an increase in the cost of borrowings and higher cash holding during FY22. With the increase in income from collection service and bad debt recovery, the other income has increased during FY22.

The opex increased to 4.41% in FY22 from 4.14% in FY21 due to easing of the COVID lockdowns and resumption of operations. However, it remained lower than the pre-COVID levels, despite opening of 60 new branches during FY22. The credit cost stood at 2.40% in FY22 as against 2.62% in FY21. Owing to moderation in the NIM, the return on total assets (ROTA) decreased to 2.94% in FY22 from 3.11% in FY21.

During Q1FY23, the company reported a PAT of ₹323 crore on a total income of ₹1,843 crore as against a PAT of ₹208 crore on a total income of ₹1,496 crore in Q1FY22.

Regionally concentrated business: Although SCUF's branch network (986 branches as on March 31, 2022) is spread across 24 states, the business is concentrated towards the Southern (67%) and Western (18%) regions. With South

R

occupying 58% (PY: 58%) of the overall AUM, followed by the West with 28% (PY: 32%), the North occupied the remaining 14% (PY: 10%) of the overall AUM as on March 31, 2022. The top three states – Tamil Nadu, Andhra Pradesh, Telangana – occupied 55% of the total AUM as on June 30, 2022.

Moderate asset quality indicators: Non-performing assets remained at higher levels since the migration in NPA recognition norms from 180 DPD to 90 DPD. The gross stage III assets and net stage III assets stood at 6.31% and 3.30% as on March 31, 2022, as against 6.37% and 3.08% as on March 31, 2021, respectively. The write-offs increased from ₹848 crore during FY21 to ₹853 crore during FY22 and the write-offs/opening portfolio (%) stood at 2.89% during FY22 as against 2.96% during FY21. Slippages increased to 6.55% in FY22 from 3.82% in FY21. Also, the adjusted GNPA (including write-offs) and GNPA on one-year lagged basis stood at 8.88% and 7.09% as on March 31, 2022, as against 9.24% and 6.55% as on March 31, 2021, respectively. The total expected credit losses (ECL) provision stood at ₹2,091 crore as on March 31, 2022, as against ₹2,044 crore as on March 31, 2021. The ECL provision coverage for stage III assets stood at 49% as on March 31, 2022, as against 53% as on March 31, 2021, respectively. Gross stage III assets of small business loans (SBL), PL and AL remained higher and stood at 7.03%, 9.05% and 9.87% as on March 31, 2022, as against 7.26%, 10.51% and 8.56% as on March 31, 2021, respectively. The company has provided restructured benefits to its customers and the outstanding as on March 31, 2022, stood at ₹376 crore as on March 31, 2022, which further reduced to ₹297 crore as on June 30, 2022. The gross stage III and net stage III stood at 6.11% and 3.32% as on June 30, 2022.

Industry outlook

Financiers who provide loans to micro, small and medium enterprises (MSME) generally tend to rely on assessment of the estimated (surrogate) cash flows and offer loans at high yield. Lockdowns, disruptions in supply chain, and the impact on large industries will increase immediate delinquencies in this segment. However, the secured MSME loans with collateral security (property, machinery, etc) and the longer tenure may have the time for eventual recovery and may be more immune to the economic shocks compared to unsecured ones.

The outlook for NBFCs and housing finance companies (HFCs) has turned negative. While the asset quality of NBFCs has witnessed moderation in FY21 and FY22, the performance of restructured advances and the growth for the asset class remain key challenges going forward.

Liquidity: Adequate

As per the company's asset liability management (ALM) statement, as on June 30, 2022, there are no negative cumulative mismatches in any of the time buckets up to one year, supported mainly by shorter tenure products such as LAG, two-wheeler, PL, and used two-wheelers. As on June 30, 2022, the company had cash and bank balances of ₹7,799 crore and has contractual repayments (principal alone) of ₹3,549 crore and ₹3,135 crore in Q2FY23 and Q3FY23, respectively, as per the ALM. SCUF's undrawn bank limits/loans (including CC/OD) of ₹1,717 crore adds comfort.

Analytical approach: Standalone

Applicable criteria

[Criteria on assigning 'outlook' and 'credit watch' to credit ratings](#)

[CARE Ratings' policy on Default Recognition](#)

[Financial ratios – Financial sector](#)

[CARE Ratings' rating methodology for NBFCs](#)

[Criteria for short-term instruments](#)

[Policy on Withdrawal of Ratings](#)

R

About the company

SCUF commenced its operations in 1986 and is a deposit-accepting NBFC-D registered with the Reserve Bank of India (RBI) and part of the Shriram group, which has a presence in retail financial services, chit funds, retail stock broking, financial product distribution, general insurance, life insurance, wealth advisory, etc. The company started its operations with truck financing during the initial stages, however from 2002 onwards, SCUF started focusing towards SME financing to cater to the needs of chit fund customers and has now become one of the leading SME financing companies in the country.

As on March 31, 2022, the company has a customer base of 45.55 lakh active customers, servicing from 986 branches across 24 states and UTs. SCUF offers services under product categories such as SME loans/SBL, two-wheeler loans, AL, LAG, PL, used two-wheeler loans, and LAP. As on March 31, 2022, with an AUM of ₹32,247 crore, the SBL and two-wheeler loans accounted for 44% and 23% of the AUM, respectively, followed by LAG, PL, used two-wheelers, AL, and LAP accounted for 12%, 12%, 3%, 2%, and 2% of the AUM respectively. Notably, SCUF entered into the LAP segment in FY21.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	Q1FY23(P)
Total operating income	5,737	6,530	1,751
PAT	1,011	1,086	303
Interest coverage (times)	1.65	1.57	1.63
Total Assets	34,080	39,914	NA
Net NPA (%)	3.08	3.30	3.32
ROTA (%)	3.11	2.94	NA

A: Audited; P: Provisional.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of the various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Debentures-Non-convertible debentures-XXIII	INE722A07786	26-03-2018	8.90%	Mar 27, 2023	195.00	CARE AA (CWP)
	INE722A07802					
Debentures-Non-convertible debentures-XXVI	INE722A07851	31-08-2018 00:00:00	9.40%	Dec 30, 2020	0.00	Withdrawn
	INE722A07869					
Debentures-Non-convertible debentures-XXVIII	INE722A07950	30-Apr-19	NA	30-Apr-24	20.94	CARE AA (CWP)
	INE722A07943	30-Apr-19	9.35%	30-Apr-24	35.06	CARE AA (CWP)
	INE722A07935	30-Apr-19	9.75%	30-Apr-24	66.15	CARE AA (CWP)
	INE722A07927	-	-	-	-	Withdrawn
	INE722A07919	-	-	-	-	Withdrawn
	INE722A07901	-	-	-	-	Withdrawn

13

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
	INE722A07AC4	25-Sep-19	9.45%	25-Sep-24	11.06	CARE AA (CWP)
	INE722A07AD2	25-Sep-19	NA	25-Sep-24	5.64	CARE AA (CWP)
	INE722A07AB6	25-Sep-19	9.85%	26-Sep-24	52.27	CARE AA (CWP)
	INE722A07AA8	-	-	-	-	Withdrawn
	INE722A07992	-	-	-	-	Withdrawn
	INE722A07984	-	-	-	-	Withdrawn
	Proposed	-	-	-	1106.15	CARE AA (CWP)
Fixed deposit		-	-	-	-	Withdrawn
Commercial paper- Commercial paper (standalone)	-	-	-	7 days to 1 Year	50.00	CARE A1+
	-	-	-	7 days to 1 Year	2950.00	CARE A1+

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1.	Fixed deposit	LT	-	-	1)CARE AA (CWP) (22-Jun-22)	1)CARE AA (FD) (CWP) (17-Dec-21) 2)CARE AA (FD); Stable (03-Aug-21)	1)CARE AA (FD); Stable (05-Oct-20) 2)CARE AA+ (FD); Negative (06-May-20)	1)CARE AA+ (FD); Stable (21-Aug-19)
2.	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (01-Apr-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
3.	Commercial paper- Commercial paper (standalone)	ST	50.00	CARE A1+	-	1)CARE A1+ (17-Dec-21) 2)CARE A1+ (03-Aug-21)	1)CARE A1+ (05-Oct-20) 2)CARE A1+ (06-May-20)	1)CARE A1+ (21-Aug-19)
4.	Debt-Subordinate debt	LT	-	-	-	-	1)Withdrawn (06-May-20)	1)CARE AA+; Stable (21-Aug-19)

R

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
5.	Debt-Subordinate debt	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
6.	Debt-Subordinate debt	LT	-	-	-	-	1)Withdrawn (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
7.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
8.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
9.	Commercial paper- Commercial paper (Standalone)	ST	2950.00	CARE A1+	-	1)CARE A1+ (17-Dec-21) 2)CARE A1+ (03-Aug-21)	1)CARE A1+ (05-Oct-20) 2)CARE A1+ (06-May-20)	1)CARE A1+ (21-Aug-19)
10.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
11.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
12.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
13.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
14.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
15.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
16.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
17.	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (01-Apr-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative	1)CARE AA+; Stable (21-Aug-19)

R

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
							(06-May-20)	
18.	Debentures-Non-convertible debentures	LT	195.00	CARE AA (CWP)	-	1)CARE AA (CWP) (17-Dec-21) 2)CARE AA; Stable (03-Aug-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
19.	Debentures-Non-convertible debentures	LT	-	-	-	-	-	1)Withdrawn (21-Aug-19)
20.	Debentures-Non-convertible debentures	LT	-	-	-	-	1)Withdrawn (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
21.	Debentures-Non-convertible debentures	LT	-	-	-	1)CARE AA (CWP) (17-Dec-21) 2)CARE AA; Stable (03-Aug-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
22.	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (01-Apr-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
23.	Debentures-Non-convertible debentures	LT	1297.27	CARE AA (CWP)	-	1)CARE AA (CWP) (17-Dec-21) 2)CARE AA; Stable (03-Aug-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (21-Aug-19)
24.	Debentures-Non-convertible debentures	LT	-	-	-	1)Withdrawn (01-Apr-21)	1)CARE AA; Stable (05-Oct-20) 2)CARE AA+; Negative (06-May-20)	1)CARE AA+; Stable (20-Mar-20)

*Long term/Short term.

R

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Not applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1.	Commercial paper-Commercial paper (standalone)	Simple
2.	Debentures-Non-convertible debentures	Simple
3.	Fixed deposit	Simple

Annexure-5: Bank lender details for this company

To view the lender-wise details of the bank facilities, please [click here](#).

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.



Contact us

Media contact

Name: Mradul Mishra
Phone: +91-22-6837 4424
E-mail: mradul.mishra@careedge.in

Analyst contact - 1

Name: Sudhakar P
Phone: +91-44-2850 1003
E-mail: p.sudhakar@careedge.in

Analyst contact - 2

Name: Ravi Shankar R
Phone: +91-44-2850 1016
E-mail: ravi.s@careedge.in

Relationship contact

Name: Pradeep Kumar V
Phone: +91-44-2850 1000
E-mail: pradeep.kumar@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

Mr. R Chandrasekar
Chief Financial Officer
Shriram City Union Finance Limited
221, Royapettah High Road, Mylapore
Chennai - 600 004

October 03, 2022

Dear Sir/Madam,

Re: Rating Letter of Shriram City Union Finance Limited

India Ratings and Research (Ind-Ra) has affirmed Shriram City Union Finance Limited's (SCUF) Long-Term Issuer Rating at 'IND AA' with a Positive Outlook and Short-Term Issuer Rating at 'IND A1+'. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Bank loan	-	-	-	INR15	IND AA/Positive	Assigned
Principal protected market linked debentures (PP-MLDs)*	-	-	-	INR17.0	IND AAemr/Positive PP-MLD	Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR45	IND AA/Positive	Affirmed
Bank loan	-	-	-	INR175	IND AA/Positive	Affirmed
Fixed deposit programme	-	-	-	-	WD	Withdrawn (the company did not proceed with the instrument as envisaged)

*Details in Annexure

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

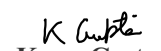
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings


Prakash Agarwal
Director


Karan Gupta
Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Bank Loan	Axis Bank Limited	IND AA/Positive	2000
Bank Loan	Bajaj Finance	IND AA/Positive	2181.35
Bank Loan	Bank of Baroda - Corporate Banking	IND AA/Positive	13164.4
Bank Loan	Bank of India	IND AA/Positive	3808.6
Bank Loan	Bank of Maharashtra	IND AA/Positive	2166.63
Bank Loan	Bandhan Bank	IND AA/Positive	2000
Bank Loan	Barclays Bank	IND AA/Positive	750
Bank Loan	Canara Bank	IND AA/Positive	14286.94
Bank Loan	Citicorp Finance India Limited	IND AA/Positive	1000
Bank Loan	CSB Bank Limited	IND AA/Positive	467.45
Bank Loan	DBS Bank India Limited	IND AA/Positive	1999
Bank Loan	Equitas Small Finance Bank	IND AA/Positive	749.8
Bank Loan	Federal Bank	IND AA/Positive	2000
Bank Loan	HDFC Bank Limited	IND AA/Positive	23380.6
Bank Loan	Hongkong Shanghai Banking corporation	IND AA/Positive	1935.3
Bank Loan	Indian Bank	IND AA/Positive	18995.83
Bank Loan	Indian Overseas Bank	IND AA/Positive	4142.9
Bank Loan	IndusInd Bank Limited	IND AA/Positive	6000.2
Bank Loan	Karnataka Bank Ltd	IND AA/Positive	499.9
Bank Loan	Karur Vysya Bank	IND AA/Positive	458.6
Bank Loan	NABARD	IND AA/Positive	25500
Bank Loan	RBL Bank	IND AA/Positive	1500
Bank Loan	SIDBI	IND AA/Positive	2540
Bank Loan	Tata Capital Financial Services Ltd	IND AA/Positive	7000
Bank Loan	South Indian Bank	IND AA/Positive	1450
Bank Loan	Ujjivan Small Finance Bank	IND AA/Positive	875.05
Bank Loan	Union Bank of India	IND AA/Positive	3336.7
Bank Loan	Woori Bank	IND AA/Positive	516.6
Bank Loan	Yes Bank Ltd	IND AA/Positive	966.8
Cash Credit	Axis Bank Limited	IND AA/Positive	2500
Cash Credit	Bank of Baroda - Corporate Banking	IND AA/Positive	1500
Cash Credit	Bank of Maharashtra	IND AA/Positive	400
Cash Credit	Bandhan Bank	IND AA/Positive	50
Cash Credit	Citibank N.A.	IND AA/Positive	2250
Cash Credit	DBS Bank India Limited	IND AA/Positive	500

Cash Credit	DCB Bank	IND AA/Positive	400
Cash Credit	Federal Bank	IND AA/Positive	250
Cash Credit	HDFC Bank Limited	IND AA/Positive	800
Cash Credit	Hongkong Shanghai Banking corporation	IND AA/Positive	200
Cash Credit	ICICI Bank	IND AA/Positive	500
Cash Credit	Indian Bank	IND AA/Positive	2500
Cash Credit	Karur Vysya Bank	IND AA/Positive	10
Cash Credit	Kotak Mahindra Bank	IND AA/Positive	1350
Cash Credit	Punjab National Bank - Corporate Banking	IND AA/Positive	1047.5
Cash Credit	RBL Bank	IND AA/Positive	800
Cash Credit	Standard Chartered bank	IND AA/Positive	9875
Cash Credit	State Bank of India	IND AA/Positive	200
Cash Credit	SBM Bank Mauritius Ltd	IND AA/Positive	100
Cash Credit	South Indian Bank	IND AA/Positive	10
Cash Credit	Union Bank of India	IND AA/Positive	300
Cash Credit	Yes Bank Ltd	IND AA/Positive	530
Bank Loan	NA	IND AA/Positive	18255

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE722A07AU6*	28/02/2020	9.25	28/05/2024	IND AA/Positive	5000
NCDs	INE722A07AF7	28/02/2020	9.25	28/02/2023	IND AA/Positive	2400
NCDs	INE722A07AN1	08/02/2021	9.25	08/02/2030	IND AA/Positive	100
NCDs	INE722A07AO9	08/02/2021	9.5	07/02/2031	IND AA/Positive	300
NCDs	INE722A07AP6	22/02/2021	9.25	22/02/2030	IND AA/Positive	200
NCDs	INE722A07AQ4	22/02/2021	9.5	21/02/2031	IND AA/Positive	450
NCDs	INE722A07AP6	25/03/2021	9.25	22/02/2030	IND AA/Positive	300
NCDs	INE722A07AQ4	25/03/2021	9.5	21/02/2031	IND AA/Positive	300
NCDs	INE722A07AQ8	12/08/2021	7.95	12/08/2024	IND AA/Positive	2600
NCDs	INE722A07BA6	21/09/2021	8.65	21/09/2031	IND AA/Positive	1890
NCDs	INE722A07BB4	21/09/2021	7.7	21/12/2022	IND AA/Positive	3500
NCDs	INE722A07BC2	21/09/2021	7.48	21/09/2024	IND AA/Positive	3000
NCDs	INE722A07BE8	20/12/2021	9.05	20/12/2031	IND AA/Positive	6000
NCDs	INE722A07BF5	22/02/2022	7.5	22/05/2023	IND AA/Positive	4400
NCDs	INE722A07BG3	22/02/2022	9	22/02/2023	IND AA/Positive	1800
NCDs	INE722A07BI9	31/05/2022	8.85	31/05/2032	IND AA/Positive	1100
Unutilised NCDs					IND AA/Positive	11650
PP MLD - NCD	INE722A07AM3	27/01/2021	-	27/01/2023	IND PP-MLD AAemr/Positive	1500

PP MLD - NCD	INE722A07AR2	01/03/2021	-	01/03/2023	IND PP-MLD AAemr/Positive	4910
PP MLD - NCD	INE722A07AS0	17/03/2021	-	17/05/2023	IND PP-MLD AAemr/Positive	3000
PP MLD - NCD	INE722A07AT8	30/03/2021	-	30/03/2023	IND PP-MLD AAemr/Positive	2000
PP MLD - NCD	INE722A07AZ5	01/09/2021	-	01/03/2024	IND PP-MLD AAemr/Positive	2000
PP MLD - NCD	INE722A07BD0	23/11/2021	-	23/05/2024	IND PP-MLD AAemr/Positive	3000
Unutilised PP MLD - NCD					IND PP-MLD AAemr/Positive	590

*ISIN INE722A07AE0 has been revised to INE722A07AU6 post conversion to fully paid NCD.

RA