

SHELF PLACEMENT MEMORANDUM
SHRIRAM CITY UNION FINANCE LIMITED

Corporate Identity Number (CIN) –L65191TN1986PLC012840, PAN – AAACS7703H

Date and Place of Incorporation – Chennai, March 27, 1986

RBI registration number –07-00458

(A Public Limited Company Incorporated under the Companies Act, 1956)

Registered Office: 123, Angappa Naicken Street, Chennai Tamil Nadu 600 001

Corporate Office: No.144, Santhome High Road, Mylapore, Chennai - 600 004.

Tel: (044) 43925300 ; **Fax:**(044) 4392 5430; **E-mail:**sect@shrircity.in **Website:** www.shrircity.in

PRIVATE PLACEMENT BY SHRIRAM CITY UNION FINANCE LIMITED (“COMPANY OR THE ISSUER”) OF REDEEMABLE SECURED NON-CONVERTIBLE DEBENTURES (SNCDs) OF FACE VALUE OF ₹ 10,00,000 EACH AGGREGATING UP TO ₹ 150 CRORES (“BASE ISSUE SIZE”) WITH GREEN SHOE OPTION UPTO ₹ 500 CRORES AGGREGATING UP TO 6500 NCDS AMOUNTING TO ₹6,50,00,00,000/- (RUPEES SIX HUNDRED AND FIFTY CRORES) IN ONE OR MORE TRanches AS FULLY PAID-UP (“ISSUE”) AND BEING OFFERED BY WAY OF SHELF PLACEMENT MEMORANDUM (“SPM”) CONTAINING INTER-ALIA THE TERMS AND CONDITIONS OF THE ISSUE. THIS ISSUE UNDER SPM IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021, SEBI OPERATIONAL CIRCULAR ON ISSUE AND LISTING OF NCDS, PP-MLD, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPERS HAVING REFERENCE NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021 AND OTHER APPLICABLE SEBI REGULATIONS AND COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED FROM TIME TO TIME

GENERAL RISKS

Investors are advised to read the Risk Factors carefully before taking an Investment Decision in relation to this Issue. For taking an Investment Decision, Investors must rely on their own examination of the Issue, Issuer, Shelf Placement Memorandum including Risks involved. This Document has not been or will be approved or recommended by any regulatory authority in India including Securities and Exchange Board of India (“SEBI”), Reserve Bank of India (“RBI”), Registrar Of Companies (“ROC”), Stock Exchanges (“SE”).

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this placement memorandum Shelf Placement Memorandum contains all information with regard to the Issuer and the Issue, which are material in the context of the Issue, that the information contained in this placement memorandum Shelf Placement Memorandum are true and correct in all material aspects and are not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this document as a whole or in part or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated as ‘CRISIL AA’ by CRISIL Ratings Limited for an amount up to ₹ 1000 Crores vide its letter dated February 4, 2022 and ‘IND AA’/Outlook Positive by India Ratings and Research Private Ltd (India Ratings) for an amount up to ₹ 4500 Crores vide its letter dated February 7, 2022. The rating of the NCDs by indicate high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating provided by may be revised, suspended, withdrawn by the assigning rating agency and should be evaluated independently of any other rating. The above rating is not a recommendation to buy, sell, hold, transact in the NCDs and investors should take their own decision. The rating obtained is subject to revision at any point of time in the future. For, further details, please refer to the rating letter and rationale for the above ratings. The link for the press release for the Rating provided by CRISIL Ratings Limited is https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShriramCityUnionFinanceLimited_January%2027,%202022_RR_286511.html and India Ratings and Research Private Limited is <https://www.indiaratings.co.in/PressRelease?pressReleaseID=57011>

LISTING

The NCDs are proposed to be listed on the Wholesale Debt Market (WDM) segment and Capital Market Segment of BSE Limited (“BSE”). Listing will be done as per the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time. The Issuer shall comply with the requirements of LODR to the extent applicable to it on a continuous basis.

This bond issue does not form part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021. The face value of each debt security issued on private placement basis shall be ₹ 10 lakhs.

DEBENTURE TRUSTEE (“DT”)	REGISTRAR TO ISSUE (“RTI”)	CREDIT RATING AGENCIES	
 Catalyst Trusteeship Limited, CIN:U74999PN1997PLC110262 GDA House, 94/95, Plot No.85, Bhusari Colony, (Right) Kothrud, Pune - 411038. Tel No: 020-66807200/7223/7224, Fax No: 020-25280275 Email: dt@ctltrustee.com, website :www.catalysttrustee.com Contact Person : Ms. Shamala Nalawade	 Integrated Registry Management Pvt Ltd CIN:U74900TN2015PTC101466 2 nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai 600017 Tel: (044) 28140801/02/03, Fax:(044) 28142479 Email: corpserve@integratedindia.in Website: www.integratedindia.com Contact Person : Ms. Anusha	 CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076 Phone – 91 22 3342 3000 Contact person: Krishna Bhargav Vasa Email: krishna.bhargav@crisil.com Website: www.crisilratings.com	 India Ratings & Research A Fitch Group Company India Ratings and Research Private Ltd Wockhardt Towers, Level – 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Tel: +91 22 4000 1700 Contact Person : Amit Rane Email : amit.rane@indiaratings.co.in

COMPLIANCE OFFICER (“CO”)/ COMPANY SECRETARY (“CS”)	CHIEF FINANCIAL OFFICER (“CFO”)	PROMOTERS	AUDITORS
C. R. Dash 144, Santhome High Road, Chennai-600004 Tel :+91 44 43925300, Fax : +91 44 43925430 E-mail:sect@shrircity.in	R. Chandrasekar, 144, Santhome High Road, Chennai-600004 Tel :+91 44 43925300, Fax : +91 44 43925430	Shriram Capital Limited Shriram House, No.4, Burkit Road, T. Nagar, Chennai – 600 017 Tel :+91 44 49052500 E-mail : sect@shrircity.in	M/s R Subramaniam & Company LLP Firm Registration No: 004137/S200041 6, Krishnaswamy Avenue, Luz, Mylapore, Chennai 600 004 And M/s Abarna & Ananthan Chartered Accountants Firm Registration No: 000003S No 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru - 560 085

ISSUESCHEDULE

ISSUE OPENS ON: February 21, 2022	ISSUE CLOSES ON: February 21, 2022
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COUPON RATE, COUPON PAYMENT FREQUENCY, MATURITY DATE, MATURITY AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, see “Issue Details” beginning on page 44. For details relating to eligible investors see, “Application Process - Who can apply” beginning on page 40

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I. DEFINITIONS AND ABBREVIATIONS

Allotment Intimation	An advice informing the Allottees of the number of Letter(s) of Allotment/ NCDs allotted to him in Electronic (Dematerialized) Form
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the NCDs pursuant to the Issue
Application Form	The form in which an investor can apply for subscription to the NCDs
Arranger	As per Addendum to Shelf Placement Memorandum
Articles (AOA)	Articles of Association of the Company
Board	Board of Directors of the Company or a Committee thereof
BSE	BSE Limited
India Ratings	India Ratings and Research Private Ltd
CRISIL	CRISIL Ratings Limited
Company / Issuer / We / Our Company/ Us	Shriram City Union Finance Limited having its CIN L65191TN1986PLC012840
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 and the Rules made thereunder as amended from time to time
Coupon Payment Date	Date of payment of interest on the NCDs
Date of Allotment	The date on which allotment for the Issue is made, which shall be deemed Date of Allotment
Debentures/ NCDs/Bonds/Securities	Private placement by Shriram City Union finance Limited ("Company" or the "Issuer") of Redeemable Secured Non-convertible Debentures ('SNCDs') of face value of ₹ 10,00,000/- each aggregating up to 6500 NCDs amounting to ₹ 6,50,00,00,000/- (Rupees six hundred and fifty crores) in one or more tranches as fully paid-up or partly paid up ("Issue")
Debenture Holder	The investors who are allotted NCDs
Debenture Trustee ("DT")	Trustee for the NCD holders, in this case being M/s Catalyst Trusteeship Limited.
Depository/ies	NSDL/ CDSL
DP	Depository Participant
FEMA Regulations	The Regulations framed by the RBI under the provisions of the Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI as amended from time to time
FY	Financial Year
ISIN	International Securities Identification Number
Issue	Private placement by Shriram City Union finance Limited ("Company" or the "Issuer") of Secured Rated Listed Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating up to ₹ 150 crores ("Base issue size") with green shoe option upto ₹ 500 crores aggregating up to 6500 NCDs amounting to ₹6,50,00,00,000/- (Rupees six hundred and fifty crores) in one or more tranches as fully paid-up or partly paid up ("Issue")
I.T. Act	The Income-tax Act, 1961 as amended from time to time
LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
Memorandum / MOA	Memorandum of Association of the Company
NHB	National Housing Bank
NSE	National Stock Exchange of India Limited
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the FEMA Regulations.

PAT	Profit After Tax
PBT	Profit Before Tax
RBI	Reserve Bank of India
ROC	Registrar of Companies, Chennai
RTI/Registrar	Registrar to the Issue
RTGS	Real Time Gross Settlement, an electronic funds transfer facility provided by RBI
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021 applicable from August 16, 2021 and SEBI Operational circular on issue and listing of NCDs, PP- MLD, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Papers and other applicable SEBI Regulations as amended from time to time (referred in this document “SEBI Regulations”).
Security Documents	Any security document entered into from time to time for creation of any Security for the benefit of the NCD Holders
HFC	Housing Finance Company
Shelf Placement Memorandum	Shelf Placement Memorandum of Private Placement by Shriram City Union Finance Limited (“Company or the Issuer”) of Secured Rated Listed Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each for an amount aggregating up to 6500 NCDs amounting to ₹ 6,50,00,00,000/- (Rupees six hundred and fifty crores) in one or more tranches as fully paid-up or partly paid up (“Issue”)
SHFL	Shriram Housing Finance Limited

II. GENERAL DISCLAIMER

This document is only a “Shelf Placement Memorandum” prepared in accordance with SEBI Regulations and Companies Act 2013. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the NCDs to be issued by the Company. The document is for the exclusive use to whom it is delivered and it should not be circulated or distributed to any third party/ (ies). The Issuer certifies that the disclosures made in this document are generally adequate and are in conformity with SEBI Regulations and Companies Act. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Issue. Apart from the Shelf Placement Memorandum, no offer document or prospectus has been prepared in connection with this Issue and no prospectus in relation to the Issuer or the NCDs relating to this offer has been delivered for registration nor such a document required to be registered under the applicable laws.

This Shelf Placement Memorandum is issued by the Company and has been prepared by the Company to provide general information on the Company to potential investors to whom it is addressed and who are eligible and willing to subscribe to the NCDs and does not purport to contain all the information a potential investor may require. Where this Shelf Placement Memorandum refers to the provisions of any other document, that should not be solely relied upon and the relevant document should be referred to for the full effect of the provisions. Neither this Shelf Placement Memorandum, nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation. Any recipient of this Shelf Placement Memorandum should not consider such receipt a recommendation to purchase the NCDs. Each investor contemplating to subscribe/ purchase any NCDs should make its own independent investigation of the financial condition and affairs of the Issuer, and make its own appraisal of the creditworthiness of the Issuer.

The applicants/recipients of the NCDs are urged to determine, investigate and evaluate for themselves, the authenticity, origin, validity, accuracy, completeness, adequacy or otherwise the relevance of information contained in this Shelf Placement Memorandum. , valuation and judgment of the Issuer and the NCDs. It is the responsibility of potential investors to ensure that if they sell/ transfer these NCDs, they shall do so in strict accordance with this Shelf Placement Memorandum and other applicable laws, so that the sale does not constitute an offer to the public, within the meaning of the Companies Act. The potential investors should also consult their own tax advisors on the tax implications relating to acquisition, ownership, sale or redemption of the NCDs and in respect of income arising thereon. Investors are also required to make their own assessment regarding their eligibility for making investment(s) in the NCDs. The Company

or any of its directors, employees, advisors, promoters, affiliates, subsidiaries or representatives do not accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

No person has been authorized to give any information or to make any representation not contained in this Shelf Placement Memorandum or in any material made available by the Company to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any such persons. The contents of this Shelf Placement Memorandum are intended to be used only by those investors to whom it is circulated. It is not intended for circulation to any other person and should not be reproduced by the recipient. The person to whom a copy of this Shelf Placement Memorandum is circulated is alone entitled to apply for the NCDs. No invitation is being made to any persons other than those to whom application forms along with this Shelf Placement Memorandum have been sent. Any application by a person to whom the Shelf Placement Memorandum and/or the application form has not been sent by the company shall be rejected without assigning any reason. The person who is in receipt of this Shelf Placement Memorandum shall maintain utmost confidentiality regarding the contents of this Shelf Placement Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the Issuer.

DISCLAIMER OF RBI: The NCDs/Securities have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the securities have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the securities being issued by the Issuer or for the correctness of the statements made or opinions expressed in this document. Potential investors may make investment decision in the securities offered in terms of this Shelf Placement Memorandum solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/ repayment of such investment.

DISCLAIMER OF SEBI: The NCDs/Securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. It is to be distinctly understood that this document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this document. The issue of NCDs being made on private placement basis, however SEBI reserves the right to take up at any point of time, with the Issuer Company, any irregularities or lapses in this document.

DISCLAIMER OF THE STOCK EXCHANGE: As required, a copy of this Shelf Placement Memorandum has been submitted to BSE for hosting the same on its website. It is to be distinctly understood that such submission of the document to BSE or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by BSE ; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor does it warrant that this Issuer's NCDs/securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the company. Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE SOLE ARRANGER: The Issuer hereby declares that it has exercised due-diligence to ensure complete compliance with prescribed disclosure norms in this Shelf Placement Memorandum. The only role of the Sole Arranger with respect to the Debentures is confined to arranging placement of the Debentures on the basis of this Shelf Placement Memorandum as prepared by the Issuer. Without limiting the foregoing, the Sole Arranger is not acting, and has not been engaged to act, as an underwriter, merchant banker or other intermediary with respect to the Debentures. The Issuer is solely responsible for the truth, accuracy and completeness of all the information provided in this Shelf Placement Memorandum. Neither is the Sole Arranger responsible for preparing, clearing, approving, scrutinizing or vetting this Shelf Placement Memorandum, nor it is responsible for doing any due-diligence for verification of the truth, correctness or completeness of the contents of this Shelf Placement Memorandum. The Sole Arranger shall be entitled to rely on the truth, correctness and completeness of this Shelf Placement Memorandum. It is to be distinctly understood that the aforesaid use of this Shelf Disclosure by the Sole Arranger should not in any way be deemed or construed to mean that the Shelf Placement Memorandum has been prepared, cleared, approved, scrutinized

or vetted by the Sole Arranger. Nor should the contents of this Shelf Placement Memorandum in any manner be deemed to have been warranted, certified or endorsed by the Sole Arranger as to the truth, correctness or completeness thereof. Each recipient must satisfy itself as to the accuracy, reliability, adequacy, reasonableness or completeness of the Shelf Placement Memorandum.

The Sole Arranger has not conducted any due diligence review on behalf or for the benefit of the Debenture Trustee or any of the Debenture Holders. Each of the Debenture Holders should conduct such due diligence on the Issuer and the Debentures as it deems appropriate and make its own independent assessment thereof.

Distribution of this Shelf Placement Memorandum does not constitute a representation or warranty, express or implied by the Sole Arranger that the information and opinions herein will be updated at any time after the date of this Shelf Placement Memorandum. The Sole Arranger does not undertake to notify any recipient of any information coming to the attention of the Sole Arranger after the date of this Shelf Placement Memorandum. No responsibility or liability or duty of care is or will be accepted by the Sole Arranger for updating or supplementing this Shelf Placement Memorandum or for providing access to any additional information as further information becomes available.

Neither the Sole Arranger nor any of their respective directors, employees, officers or agents shall be liable for any direct, indirect or consequential loss or damage suffered by any Person as a result of relying on any statement in or omission from this Shelf Placement Memorandum or in any other information or communications made in connection with the Debentures.

The Sole Arranger is acting for the Company in relation to the Issue of the Debentures and not on behalf of the recipients of this Shelf Placement Memorandum. The receipt of this Shelf Placement Memorandum by any recipient is not to be constituted as the giving of investment advice by the Sole Arranger to that recipient, nor to constitute such a recipient a customer of the Sole Arranger. The Sole Arranger is not responsible to any other Person for providing the protection afforded to the customers of the Sole Arranger nor for providing advice in relation to the Debentures.

Each recipient of this Shelf Placement Memorandum acknowledges that:

- a. each recipient has been afforded an opportunity to request and to review and has received all additional information considered by the recipient to be necessary to verify the accuracy of or to supplement the information contained herein; and
- b. such recipient has not relied on the Sole Arranger in connection with its investigation of the accuracy of such information or its investment decision.

DISCLAIMER STATEMENT FROM THE COMPANY: The Company accepts no responsibility for statements made other than in this Shelf Placement Memorandum or any other material expressly stated to be issued by or at the instance of the Company in connection with the issue of this series of NCDs and that anyone placing reliance on any other source of information would be doing so at their/its own risk.

UNDERTAKING BY THE COMPANY: Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 9-11 under the section 'General Risks'. The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Placement Memorandum contains all information with regard to the issuer and the issue, that the information contained in the document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Company has no side letter with any debt securities holder except the one(s) disclosed in the Shelf Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

EACH PERSON RECEIVING THIS SHELF PLACEMENT MEMORANDUM ACKNOWLEDGES THAT: Such person has been afforded an opportunity to request and to review and has received all additional information considered by an individual to be necessary; and to verify the accuracy of or to supplement the information herein; and to understand the nature of the NCDs and the risks involved in investing in them including for any reason having to sell them or be made to redeem them before final redemption date; and such person has not relied on any intermediary or

agent or advisory or underwriter that may be associated with issuance of the NCDs in connection with its investigation of the accuracy of such information or its investment decision. The Company does not undertake to update the Shelf Placement Memorandum to reflect subsequent events after the date of the Shelf Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company. Neither the delivery of this Shelf Placement Memorandum nor any sale of NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

This Shelf Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this Shelf Placement Memorandum in any jurisdiction where such action is required. The distribution of this Shelf Placement Memorandum and the offering and sale of the NCDs may be restricted by law in certain jurisdictions. Persons into whose possession this Shelf Placement Memorandum comes are required to inform themselves about and to observe any such restrictions. The Shelf Placement Memorandum is made available to investors in this series on the strict understanding that it is confidential. The Issuer confirms that all necessary disclosures have been made in the Shelf Placement Memorandum/ including but not limited to statutory and other regulatory disclosures. Investors should carefully read and note the contents of the Shelf Placement Memorandum. Each prospective investor should make its own independent assessment of the merit of the investment in NCDs and the Issuer Company. Prospective Investor should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyse such investment and suitability of such investment to such investor's particular circumstance. Prospective investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments. The Trustees, "ipso facto" do not have the obligations of a borrower or a Principal Debtor or a Guarantor as to the monies paid/invested by investors for the NCDs/Bonds.

III. RISK FACTORS

General Risk: Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issue and the Shelf Placement Memorandum, including the risks involved. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.

Operational Risk: Operational risks arise from inadequate or failed internal processes, people and systems or from external events. Lapses or significant weakness of internal controls systems could adversely impact our business. The management of operational risk is carried out through a comprehensive system of internal controls, IT controls, information and cyber security checks, documented delegation of authority, separation of duties between key functions and detailed standard operating procedures. In all critical functions like treasury, etc., the front office and back office functions are segregated. The key operational processes are centralized at the Corporate Office that reduces the operational risk at the branch level resulting in better control.

Credit risk: Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. Credit risk is the risk to earnings or capital due to borrowers' late and non-payment of loan obligations which may lead to higher NPAs. Credit risk encompasses both the loss of income resulting from the inability to collect anticipated interest earnings as well as the loss of principal resulting from loan defaults. The Company manages credit risk through strict credit norms in retail lending. A robust procedure helps the Company to assess borrower's credibility before any loan commitment. The Company has employed a wide range of credit risk management practices and controls.

Interest Rate Risk: Our results of operations are dependent upon the level of our net interest margins. Interest rate risk arises when there is a mismatch in the interest rate profile of assets and liabilities adversely impacting the net interest income. Since our balance sheet consists of rupee assets and predominantly rupee liabilities, movements in domestic interest rates constitute the primary source of interest rate risk. Organization measures interest rate risks by the 'duration gap' method. The duration gap is a risk measure that tracks the gap between assets and liabilities sensitive to interest rate changes, to assess the impact of interest rate changes on the cost of funds to the Company. Considering the volatility

of interest rates in the market, the Company strategy is to realize its borrowings between short term and long term debt as well as floating and fixed rate instruments. The management of risk lies at the heart of the organization.

Liquidity Risk: Liquidity risk is the risk that the Company may be unable to meet its financial obligations in a timely manner at reasonable prices. Liquidity risk arises due to non-availability of adequate funds or non-availability of adequate funds at an appropriate cost, or of appropriate tenure, to meet our business requirements. This risk could arise out of a mismatch in maturity profile of the assets and liabilities. We monitor liquidity risk through our Asset Liability Management (“ALM”) function. Managing liquidity risk is essential for the Company to maintain the stakeholders’ confidence.

Risk of Fraud: The Non-Banking Finance industry is long been targeted for financial fraud which causes financial and reputation loss to the organization. Fraud risk may be as a result of deception by employee or client. Technology innovation such as Central Registry promulgated by the Government is of great help to the companies to identify potential frauds at the early stage of sourcing and processing of the business.

Human Resource: The Company has experienced promoters and a senior management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. The company believe that a combination of the Company’s reputation in the market, the working environment and competitive compensation programs allow us to attract and retain talented people.

Increasing competition: The Company faces risk from existing players as well as new entrants in the business of NBFC. The Company can leverage on its strong brand name, knowledge of the market, existing customer base and associated relationships, wide distribution network and quality customer service so as to sustain its position in the market.

Cyber Risk: Cyber risk is the information technology risk including risk of financial loss, disruption or damage from failure of IT systems/infrastructure. The Company is committed to identify, monitor and manage potential information security or technology risks with goal of mitigating the negative impact.

As a part of IT risk control, management have put in place measures to protect systems and data, to reduce the likelihood of risk affecting the business.

Strategic Risk: This risk is related to the overall business strategies and the related economic/business environment. It is the risk to earnings and capital arising from lack of responsiveness to changes in the business environment and/or adverse business decisions, besides adoption of wrong strategies and choices. The management is proactive in its approach towards changes in economic/business environment as the business strategies are regularly discussed thereby ensuring adequate steps are taken

Business Continuity Risk: Business Continuity risks arising out of global disruptions like natural disasters, IT outages, lockdown due to pandemic, terror and unrest among others. This will impact the availability and efficiency of people and process, technology and infrastructure. In such a scenario, the Company has Business Continuity Plan (BCP) to ensure smooth functioning of operations with uninterrupted services.

External Factors:

The NCDs may be illiquid: The Company intends to list the NCDs on the WDM segment of the BSE. The Company cannot provide any guarantee that the NCDs will be frequently traded on the Stock Exchange(s) and that there would be any market for the NCDs. It is not possible to predict if and to what extent a secondary market may develop in the NCDs or at what price the NCDs will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the NCDs may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the NCDs to realize value for the NCDs prior to settlement of the NCDs.

A slowdown in economic growth in India: Business growth objectives are highly dependent on the economic performance. A slowdown in the Indian economy / GDP may adversely affect Company’s business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India’s credit rating for domestic and

international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

Material changes in regulations to which the Company is subject: A risk may arise if various concerned authorities amend the regulatory framework, which could impact the Company. The RBI requires the Company to make provisions in respect of NPAs. Any changes in the regulatory framework affecting HFCs including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance.

The following documents have been/ shall be submitted to M/s BSE Limited

- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities
- B. Copy of last three years audited Annual Reports
- C. Statement containing particulars of, dates of and parties to all material contracts and agreements
- D. Copy of the Board/ Committee Resolution authorizing the borrowing and list of authorized signatories
- E. An undertaking from the issuer that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc. and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same.
- F. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- G. An undertaking that permission / consent from the prior creditor for a second or pari-passu charge being created, where applicable, in favour of the trustees to the proposed issue has been obtained.

IV. The following documents shall be submitted to the Debenture Trustees in electronic form (soft copy at the time of allotment of the debt securities)

- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities
- B. Copy of last three years audited Annual Reports
- C. Statement containing particulars of, dates of and parties to all material contracts and agreements
- D. Latest Audited/ Limited Review Half Yearly Consolidated and standalone financial information (Profit and Loss statement, Balance Sheet and Cash Flow Statement) and auditor qualification, if any
- E. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (D) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular no. SEBI/IMD/ BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time for furnishing / publishing its half yearly/ annual result. Further the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture holders within two working days of their specific request.

V. ISSUER INFORMATION

Name of the Issuer	Shriram City Union Finance Limited
Corporate Identification Number (CIN)	L65191TN1986PLC012840
Registered Office of the Issuer	123, Angappa Naicken Street, Chennai - 600001
Corporate Office of the Issuer	144, Santhome High Road, Mylapore, Chennai – 600004
Compliance Officer of the Issuer	Mr. C R Dash
Chief Financial Officer of the Issuer	Mr. R Chandrasekar
Trustee of the Issue	M/s Catalyst Trusteeship Limited
Registrar of the Issue	M/s Integrated Registry Management Services Private Limited
Credit Rating Agency(ies) of the Issue	M/s CRISIL Ratings Limited and M/s India Ratings and Research Private Limited

Arranger to the Issue	As per Addendum to Shelf Placement Memorandum
Auditors to the Issuer	M/s R Subramaniam & Company LLP and M/s Abarna & Ananthan Chartered Accountants

VI. BRIEF SUMMARY OF THE BUSINESS/ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

- i. Overview: The Company was incorporated as Shriram Hire Purchase Finance Private Ltd under Companies Act 1956 and was granted certificate of incorporation by the Registrar of Companies (“ROC”), Chennai, Tamil Nadu with effect from March 27, 1986. The status of the Company was changed to public limited and this name of the Company was changed to Shriram Hire Purchase Finance Limited. The name of the Company was changed to Shriram City Union Finance Limited on date April 10, 1990 with a fresh certificate of incorporation issued by the ROC, Chennai, TamilNadu. The Company obtained Certificate of Registration No. 07.00458 dated April 17, 2007 from RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934. On the application of the Company, RBI changed the Company from Asset based Finance Company to Loan Company with effect from July 27, 2015. The equity shares of the Company are listed on the BSE and NSE. For addresses of the Company and further details Page-1 may be referred to. The Company operates through 947 branches/business outlets all over India.

We are a deposit accepting and holding Loan NBFC registered with RBI with multiple product lines, including loans to the small enterprise segment; loans against gold; financing for two wheelers, appliances and other commercial goods (referred to herein as “Product Finance”); pre-owned and new vehicle loans and personal loans. We are a part of the Shriram Group of companies (“Shriram Group”), which has a strong presence in financial services in India, including commercial vehicle financing, consumer finance, life and general insurance, stock broking, chit funds and distribution of financial products, such as life and general insurance products and mutual fund products. Shriram Group also has a growing presence in other businesses, such as property development, engineering projects and information technology. The large customer base and wide-spread network of Shriram Group, including businesses operating under the Shriram Chits brand name, Shriram Transport Finance Company Limited, Shriram Fortune Solutions Limited and Shriram Financial Products Solutions (Chennai) Private Limited, present us with a large pool of target customers who, we believe, trust the Shriram brand name. Historically, substantially our entire small and medium enterprises customer base has been referred to us by entities operating under the Shriram Chits brand name, which increases efficiency and improves the quality of our loan. In addition, we believe that the goodwill associated with the Shriram brand name allows us to access funding at a relatively competitive cost.

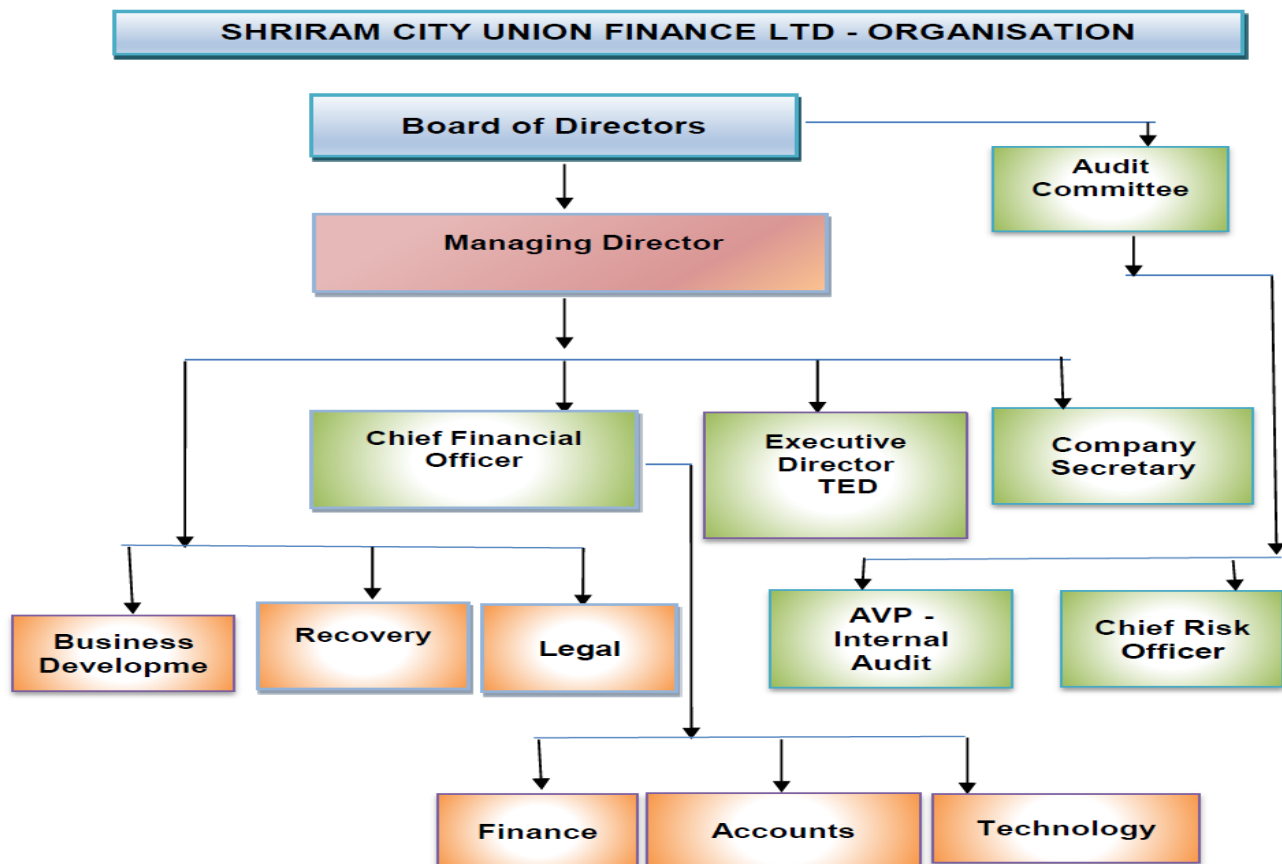
We operate a ‘hub-and spoke’ business model, where responsibilities from loan origination to recoveries of loans are vested in each of our business outlets under the general supervision and control of our head office in Chennai. We employ dedicated in-house teams who are locally drawn with in-depth knowledge of customers for pre-lending field investigation and post-lending procedures. Our network of business outlets is fully interconnected and each business outlet is connected to our head office through a proprietary enterprise resource planning (“ERP”) platform.

We have demonstrated consistent growth in our business and profitability. Our total income increased to ₹ 5,738.43 crores for the FY 2021 from ₹ 3,531.63 crores for FY 2015, at a CAGR of 8.28%. Our net profit after tax increased to ₹ 1,010.94 crores for the FY 2021 from ₹ 558.06 crores for FY 2015, at a CAGR of 13.80%.

Our assets under management were ₹ 32,247 crores as of December 31, 2021. Our capital adequacy ratio as of December 31, 2021 computed on the basis of applicable RBI requirements was 27.85% compared to the RBI stipulated minimum requirement of 15%. Our Tier I capital as of December 31, 2021 was ₹ 8,221 crores. Our gross NPAs as a percentage of total loan assets were 7.30% as of December 31, 2021. Our net NPAs as a percentage of net loan assets were 3.98% as of December 31, 2021. Over years our Company has established a pan-India presence with 986 Branches/business outlets as at December 31, 2021 across 24 states in India, with a significant presence in south India.

Our only Subsidiary is SHFL. SHFL is a Non-Deposit-accepting HFC registered with the NHB offering Housing Loans and Loans against property. SHFL offers various products targeted at purchase, acquisition and repair of housing property, loans against property and additional finance which may be for the purpose of business. SHFL is a majorly owned subsidiary of the Issuer. SHFL obtained license in August 2011 from NHB and started operations in December 2011. SHFL, CIN- U65929TN2010PLC078004 has its registered office at 123, Angappa Naicken Street, Chennai-600001 and corporate office at Level 3, East Wing, Wockhardt Towers, C-2, G Block, Bandra – Kurla Complex, Mumbai – 400 051, www.shriramhousing.in with Branches in India.

ii. Corporate Structure



A summary of Key operational and Financial Parameters derived from IND AS Financial statements on a standalone basis for the latest Fiscal 2021, Fiscal 2020 and Fiscal 2019 are as follows *

	(Rs. In Lacs)			
Parameters	Period ended Dec 2021 (IND AS)	FY21 (IND AS)	FY20 (IND AS)	FY19 (IND AS)
Balance sheet				
Total Financial assets	38,43,409.72	33,69,663.59	30,48,336.68	29,17,737.47
Total Non-Financial Assets	58,409.35	51,339.92	49,088.32	23,787.62
Total Assets	39,01,819.07	34,21,003.51	30,97,425.00	29,41,525.09
Total Financial Liabilities	30,13,131.58	26,04,241.40	23,70,510.37	22,98,338.23
Total Non-financial liabilities	6,391.20	4,909.52	6,119.06	4,054.41
Equity (equity and other equity)	8,82,296.29	8,11,852.59	7,20,795.57	6,39,132.45
Total equity and liabilities	39,01,819.07	34,21,003.51	30,97,425.00	29,41,525.09
Profit and Loss				
Total Revenue	4,78,064.97	5,73,843.47	5,88,714.49	5,78,129.78
From operations	4,77,792.04	5,73,069.65	5,88,393.59	5,77,877.53
Other Income	272.93	773.82	320.90	252.25
Total Expenses	3,73,760.32	4,34,904.72	4,53,214.39	4,26,097.52
Total Comprehensive income	78,411.61	1,02,409.29	99,162.81	97,973.87
Other Comprehensive Income	136.53	1,314.87	889.19	-913.93
Profit/Loss	1,04,304.65	1,38,938.75	1,35,500.10	1,52,032.26
Profit/Loss after Tax	78,275.08	1,01,094.42	1,00,052.00	98,887.80
Earnings per equity share (Face Value of Rs.10 per equity share)				
Basic (Rs.)	118.47	153.16	151.60	149.88
Diluted (Rs.)	117.49	152.81	151.57	149.83
Cash Flow				
Net cash from /(used in) operating activities	2,91,295.22	53,621.66	58,567.83	14,247.83
Net cash from /(used in) investing activities	51,645.34	1,736.03	19,233.43	23,145.48
Net cash from /(used in) financing activities	3,92,676.02	2,27,703.08	33,244.58	1,02,196.33
Cash and cash equivalents at the beginning of the year	3,81,528.17	2,09,182.78	98,136.94	33,333.92
Cash and cash equivalents at the end of the period	4,31,263.63	3,81,528.17	2,09,182.78	98,136.94
Additional information				
Networth	8,58,965.15	7,90,543.07	7,06,885.25	6,24,782.01

Cash and cash equivalents	4,31,263.63	3,81,528.17	2,09,182.78	98,136.94
Investments	2,28,382.64	1,01,732.24	73,413.97	86,965.30
Assets Under Management as per Ind AS (2)	32,15,568.23	29,46,518.91	28,65,652.55	28,91,560.11
Off Balance Sheet Assets as per Ind AS (2)	9,114.95	10,581.09	42,847.45	66,620.70
Total Borrowings	29,74,728.53	25,56,530.92	23,16,583.92	22,60,148.86
Interest Income	4,55,764.87	5,57,155.86	5,69,715.83	5,65,641.77
Finance cost	1,83,892.93	2,13,388.43	2,14,044.86	1,98,619.09
Total Debts to Total assets	0.76	0.75	0.75	0.77
Debt Service coverage ratio	N.A	N.A	N.A	N.A
Interest coverage ratio	N.A	N.A	N.A	N.A
Provisioning & Write offs	71,146.96	85,085.60	88,371.12	78,205.70
Bad Debts to Accounts receivable ratio	N.A	N.A	N.A	N.A
Stage 3 Assets as a percentage of Total Loan assets as per Ind AS(gross of Provisions)(Percent)(4)	7.30%	6.37%	7.90%	8.91%
Stage 3 Assets net of Stage 3 Provisions as a percentage of Net Loan assets as per Ind AS (Percent)(5)	3.98%	3.08%	4.23%	5.23%
Tier I Capital Adequacy Ratio (Percent)	27.85%	28.64%	27.69%	22.84%
Tier II Capital Adequacy Ratio (Percent)	0.00%	0.00%	0.00%	0.10%

* please note that the above disclosures are made basis the financial statements prepared as per the IND AS requirements

Notes:

(1) Net worth as defined in section 2(57) of the Companies Act, 2013 means the aggregate value of the paid-up share capital and all the reserves created out of the profits, securities premium account and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(2) Asset Under Management as per IND AS - Total loan assets and loan assets assigned which continue to be serviced by the transferor.

(3) Off - balance sheet assets as per IND AS: Loans assigned till date, which continue to be serviced by the transferor.

(4) Stage 3 Assets as a percentage of Total Loan Assets as per IND AS (gross of Provisions): Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS.

(5) Stage 3 Assets net of Stage 3 Provisions.

A summary of Key operational and Financial Parameters derived from IND AS Financial statements on a consolidated basis for the latest Fiscal 2021, Fiscal 2020 and Fiscal 2019 are as follows *

(Rs. In Lacs)				
Parameters	Period ended Dec 2021 (IND AS)	FY21 (IND AS)	FY20 (IND AS)	FY19 (IND AS)
Balance Sheet				
Total Financial Assets	42,24,697.73	37,24,601.65	32,67,040.89	31,06,695.15
Total Non Financial Assets	69,536.88	62,031.07	61,853.78	35,256.64
Total Assets	42,94,234.61	37,86,632.72	33,28,894.67	31,41,951.79
Total Financial Liabilities	33,56,378.49	29,26,867.17	25,67,527.93	24,68,539.08
Total Non Financial Liabilities	10,115.23	7,938.27	7,381.08	4,428.14
Equity (Equity and Other Equity)	9,10,769.24	8,38,754.18	7,42,356.21	6,58,429.72
Non Controlling Interest	16,971.65	13,073.10	11,629.45	10,554.85
Total Equity and Liabilities	42,94,234.61	37,86,632.72	33,28,894.67	31,41,951.79
Profit and Loss				
Total revenue	5,18,073.39	6,16,786.62	6,23,915.35	6,04,760.38
From Operations	5,17,333.97	6,15,375.29	6,23,310.82	6,04,469.39
Other Income	739.42	1,411.33	604.53	290.99
Total Expenses	4,06,268.30	4,68,985.44	4,83,266.93	4,50,221.37
Total Comprehensive Income	83,861.64	1,09,088.75	1,02,438.80	99,698.07
Other Comprehensive Income	135.78	1,317.21	882.46	854.62
Profit/ loss	1,11,805.09	1,47,801.18	1,40,648.42	1,54,539.01
Profit / loss after tax	83,725.86	1,07,771.54	1,03,321.26	1,00,552.69
Earnings per equity share (face value Rs. 10/- per equity share)				
Basic	125.26	161.13	154.95	151.83
Diluted	124.22	160.76	154.92	151.78
Cash Flow				
Net cash from / (used in) operating activities	- 3,41,987.70	-1,95,139.82	44,588.22	- 23,616.87
Net cash from / (used in) investing activities	- 23,043.23	7,193.67	25,909.83	- 35,181.77
Net cash from / (used in) financing activities	4,13,819.79	3,55,534.02	53,971.67	1,24,511.84
Cash and cash equivalents at the beginning of the year / period	3,91,641.65	2,24,053.78	99,584.06	33,870.86

Cash and cash equivalents at the end of the year / period	4,40,430.51	3,91,641.65	2,24,053.78	99,584.06
Additional Information				
Net worth (1)	8,86,683.08	8,16,534.97	7,27,594.42	6,43,278.45
Cash and Cash equivalents	4,40,430.51	3,91,641.65	2,24,053.78	99,584.06
Investments	1,87,986.75	92,414.31	72,318.17	92,092.40
Asset Under Management as per IND AS (2)	36,04,611.96	32,89,128.66	30,68,089.28	30,76,326.30
Off Balance sheet assets as per IND AS (3)	80,702.36	60,453.43	71,000.72	66,620.70
Total Borrowings	33,12,886.85	28,74,614.56	25,09,486.18	24,29,032.05
Interest Income	4,90,041.18	5,90,296.08	5,97,509.45	5,93,428.12
Finance cost	2,04,922.64	2,34,071.25	2,30,326.13	2,11,214.62
Total Debts to Total Assets	0.77	0.76	0.75	0.77
Debt Service Coverage Ratio	N.A	N.A	N.A	N.A
Interest Service Coverage Ratio	N.A	N.A	N.A	N.A
Provisioning and Write Off	71,699.90	87,059.34	90,930.23	76,867.32
Bad Debts to Account receivable ratio	N.A	N.A	N.A	N.A
Stage 3 Assets as a percentage of Total Loan Assets as per IND AS (gross of Provisions) (Per cent) (4)	N.A	N.A	N.A	N.A
Stage 3 Assets net of Stage 3 provisions as a percentage of Net Loan Assets as per IND AS (Per cent) (5)	N.A	N.A	N.A	N.A
Tier I Capital Adequacy Ratio (per cent)	N.A	N.A	N.A	N.A
Tier I Capital Adequacy Ratio (per cent)	N.A	N.A	N.A	N.A

* please note that the above disclosures are made basis the financial statements prepared as per the IND AS requirements

Notes:

(1) Net worth as defined in section 2(57) of the Companies Act, 2013 means the aggregate value of the paid-up share capital and all the reserves created out of the profits, securities premium account and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(2) Asset Under Management as per IND AS - Total loan assets and loan assets assigned which continue to be serviced by the transferor.

(3) Off - balance sheet assets as per IND AS: Loans assigned till date, which continue to be serviced by the transferor.

(4) Stage 3 Assets as a percentage of Total Loan Assets as per IND AS (gross of Provisions): Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS.

(5) Stage 3 Assets net of Stage 3 Provisions.

Gross Debt: Equity Ratio of the Company as of December 31, 2021

	Standalone	Consolidated
Before the issue of debt securities	3.46	3.74
After the issue of debt securities		

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.

Contingent liabilities and commitments

(A) Contingent Liabilities

₹ in lacs			
	Particulars	As at December 31, 2021	As at March 31, 2021
a.	In respect of Income tax demands where the Company has filed appeal before various authorities	116.45	116.45
b.	VAT demand where the Company has filed appeal before various Appellate	259.95	259.95
c.	Service tax demand	8,019.29	8,019.29
d.	Guarantees given for subsidiary	-	-
	Total	8,395.69	8,395.69

Future cash outflows in respect of (a), (b) and (c) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The Company is of the opinion that above demands are not sustainable and expects to succeed in its appeals. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(B) Commitments not provided for

₹ in lacs			
	Particulars	As at December 31, 2021	As at March 31, 2021
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	490.67	302.41
b.	Commitments related to loans sanctioned but undrawn	6,001.54	5,378.39

VII. BRIEF HISTORY OF THE ISSUER

i. Details of Share Capital as on December 31, 2021

Particulars	Aggregate value (₹ in lacs)
Authorised share capital	
118,500,000 Equity Shares of ₹ 10.00 each	11,850.00
4,000,000 Cumulative Redeemable Preference Shares of ₹ 100 each	4,000.00
Issued, subscribed and paid up equity share capital	
66,328,765 Equity Shares of ₹ 10.00 each	6,632.88

ii. Changes in its capital structure as on December 31, 2021 for the last 3 years – There are no changes in the capital structure in the last 3 years

iii. Equity Share Capital History of the Company as on December 31, 2021 for the last 3 years

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)	Cumulative share premium (₹)	Remarks
January 17, 2019	510	10	35	Cash	Exercise of ESOP	65,986,692	659,866,920	13,939,234,850	-
February 13, 2019	3,475	10	35	Cash	Exercise of ESOP	65,990,167	659,901,670	13,939,321,725	-
March 13, 2019	2,150	10	35	Cash	Exercise of ESOP	65,992,317	659,923,170	13,939,375,475	-
April 10, 2019	765	10	35	Cash	Exercise of ESOP	65,993,082	659,930,820	13,939,394,600	-
June 12, 2019	1,440	10	35	Cash	Exercise of ESOP	65,994,522	659,945,220	13,939,430,600	-
July 17, 2019	600	10	35	Cash	Exercise of ESOP	65,995,122	659,951,220	13,939,445,600	-
September 11, 2019	900	10	35	Cash	Exercise of ESOP	65,996,022	659,960,220	13,939,468,100	-
November 13, 2019	900	10	35	Cash	Exercise of ESOP	65,996,922	659,969,220	13,939,490,600	-
December 18, 2019	6000	10	35	Cash	Exercise of ESOP	66,002,922	660,029,220	13,939,640,600	-
October 7, 2020	1400	10	35	Cash	Exercise of ESOP	66,004,322	660,043,220	13,939,675,600	-
February 15, 2021	700	10	35	Cash	Exercise of ESOP	66,005,022	66,00,50,220	13,939,693,100	-
September 6, 2021	57312	10	300	Cash	Exercise of ESOP	66,062,334	66,06,23,340	13,956,313,580	
October 13, 2021	18730	10	300	Cash	Exercise of ESOP	66,081,064	66,08,10,640	13,961,745,280	
November 6, 2021	77075	10	300	Cash	Exercise of ESOP	66,158,139	66,15,81,390	139,84,097,030	
November 18, 2021	49,595	10	300	Cash	Exercise of ESOP	66,207,734	66,20,77,340	139,98,479,580	
December 1, 2021	71,170	10	300	Cash	Exercise of ESOP	66,278,904	66,27,89,040	140,191,18,880	
December 20, 2021	49,861	10	300	Cash	Exercise of ESOP	66,328,765	66,32,87,650	140,335,78,570	

iv. Details of any Acquisition or Amalgamation in the last 1 year – NIL

v. Details of any Reorganization or Reconstruction in the last 1 year – NIL

IX. DETAILS OF SHAREHOLDING OF THE COMPANY AS ON DECEMBER 31, 2021

i. Shareholding Pattern of the Company as on December 31, 2021

Sr. No.	Particulars	Total number of equity shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares
As per Annexure – A				

ii. List of top10 holders of equity shares of the company as on December 31, 2021

S. no	Name and category of shareholder	Total no. of equity shares	No of shares in demat form	Total share holding as % of total
1	Shriram Capital Limited, Domestic Body Corporate	22371594	22371594	33.89
2	Dynasty Acquisition (FPI) Ltd, Body Corporate-Foreign Body	13421889	13421889	20.34
3	Piramal Enterprises Limited, Domestic Body Corporate	6579840	6579840	9.97
4	East Bridge Capital Master Fund Limited, Foreign Portfolio Investor-Corporate	2548192	2548192	3.86
5	East Bridge Capital Master Fund I Ltd, Foreign Portfolio Investor-Corporate	1641228	1641228	2.49
6	Arkaig Acquisition (FPI) Ltd., Foreign Portfolio Investor-Corporate	1611969	1611969	2.44
7	WF Asian Reconnaissance Fund Limited, Foreign Portfolio Investor-Corporate	1601597	1601597	2.43
8	WF Asian Smaller Companies Fund Limited, Foreign Portfolio Investor-Corporate	1516817	1516817	2.30
9	Matthews India Fund, Foreign Portfolio Investor-Corporate	1126320	1126320	1.71
10	Aditya Birla Sun Life Trustee Private Limited (Under different sub accounts), Mutual Fund	1015001	1015001	1.54

X. DETAILS REGARDING THE DIRECTORS OF THE COMPANY

i. Details of the current directors of the Company

Name, Designation and DIN	Age	Address	Director of the Company since	List of Other Directorships	Whether willful defaulter (Yes/No)
Debendranath Sarangi <i>Designation:</i> Chairperson, Non-Executive and Independent Director <i>DIN:</i> 01408349	67	14 West Mada Street, Srinagar Colony, Saidapet, Chennai - 600 015	January 29, 2015	(i) Etica Developers Private Limited (ii) Rohini Industrial Electricals Limited (iii) Universal Comfort Products Limited (iii) Voltas Limited (iv) Southern Petrochemical Industries Corporation Limited (v) Tamilnadu Petroproducts Limited	No
Srinivasa Chakravarthy Yalamati <i>Designation:</i> Managing Director & CEO <i>DIN:</i> 00052308	56	Plot No.302 Heritage Banjara Apartment Road No.3, Panchavati Society, Banjara hills, Hyderabad Telangana India 500034	July 1, 2019	(i) Shriram Chit P. Limited (ii) Shriram Chits (Maharashtra) Limited (iii) Shriram Housing Finance Limited	No

Diwakar B Gandhi <i>Designation:</i> Non-Executive and Independent Director <i>DIN:</i> 00298276	61	F-217A, W5D4, Sainik Farms, New Delhi – 110 062	April 1, 2019	(i) Sri Maruthi Foundations LLP (ii) Berkshire Land Holdings Pvt Ltd (iii) Pinkton Hotels Pvt Ltd (iv) Riverwood Infrastructure Pvt Ltd (v) Riverbank Hotels Pvt Ltd (vi) Emerging Developers Pvt Ltd (vii) A to Z Telecom Pvt Ltd (viii) Indiaemerging Advisors Ltd (ix) Mount Arrawali Financial Service Ltd	No
Duruvasan Ramachandra <i>Designation:</i> Non-Executive and Non-independent Director* <i>DIN:</i> 00223052	58	H No 1-66/1, Villa No. 5, CEO Enclave, Gachibowli, Hyderabad – 500 032	June 6, 2017. Reappointed as Non-Executive and Non-independent Director on the Board from July 29, 2019.	(i) CES Limited (ii) Shriram Life Insurance Company Limited (iii) Shriram Capital Limited	No
Ignatius Michael Viljoen <i>Designation:</i> Non-Executive, Non-Independent Director <i>DIN:</i> 08452443	47	419, Highland Road, Johannesburg, 2094, South Africa	July 29, 2019	(i) Sanlam Credit Fund Advisor (Pty) Limited (ii) Shriram Transport Finance Company Limited (iii) African Life Holdings Limited (iv) African Life Financial Services Zambia Limited (v) Aflife Properties Limited (vi) Letshego Holdings Limited	No
Maya S. Sinha <i>Designation:</i> Non-Executive, Independent Director <i>DIN:</i> 03056226	61	11, 3 rd Floor, Vipul Building, 28 B G Kher Marg, Malabar Hill, Mumbai 400 006	May 28, 2015	(i) Airasia (India) Limited; (ii) Clear Maze Consulting Private Limited; (iii) Avana Logistek Limited; (iv) CMC Skills Private Limited; (v) Ensemble Infrastructure India Limited; (vi) Flemingo Travel Retail Limited; (vii) G R Infraprojects Limited; (viii) Prabhat Properties Private Limited;	No

				(ix) Shreyas Shipping and Logistics Limited; (x) Tata Boeing Aerospace Limited. (xi) TATA Advances Systems Limited; (xii) MITCON Mega Skills Private Limited.	
Shashank Singh <i>Designation: Non-Executive, Non-Independent Director</i> <i>DIN: 02826978</i>	43	7A, Manek, 7 th Floor, 11, L D Ruparel Marg, Malabar Hill, Mumbai 400 006	October 28, 2015	(i) Apax Partners India Advisers Private Limited; (ii) Fractal Analytics Private Limited (iii) Healthium Medtech Private Limited; (iv) Impact Foundation (India); (v) Zensar Technologies Limited; (vi) Fractal Analytics Pvt Limited	No
Venkataraman Murali <i>Designation: Non-Executive, Independent Director</i> <i>DIN: 00730218</i>	60	Commander's Court Towers, CCC 034, C Block, Flat 034, 49, Ethiraj Salai, Egmore, Chennai 600 008	April 1, 2019	(i) Take Solutions Ltd (ii) Witzenmann (India) Private Ltd (iii) Shriram Housing Finance Ltd (iv) Andhra Chamber of Commerce	No
Umesh Govind Revankar <i>Designation: : Non-Executive, Non-Independent Director</i> <i>DIN: 00141189</i>	57	1001, Simran CHS Ltd, Plot No 9, 5 th Road, Khar (West), Near Gabana HDFC Bank, Mumbai - 4000052	December 14, 2021	(i) Shriram Transport Finance Co Ltd (ii) Shriram Capital Limited (iii) Shriram Credit Company Limited (iv) Shriram Automall India Limited (v) Shriram Life Insurance Company Limited (vi) Finance Industry Development Council	No

ii. Details of change in directors since last three years

Name, Designation and DIN	Date of Appointment/Resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)
Ramakrishnan Subramanian <i>Non-Executive, Non-Independent Director</i> <i>DIN: 02192747</i>	February 3, 2017	July 28, 2016	Resigned as Non-Executive, Non-Independent Director
Khushru Burjor Jijina <i>Non-Executive, Non-Independent Director</i> <i>DIN: 00209953</i>	May 7, 2018	October 28, 2015	Resigned as Non-Executive, Non-Independent Director

Subramanian Krishnamurthy <i>Non-Executive, Independent Director</i> <i>DIN - 00140414</i>	April 28, 2005	March 31, 2019	Completion of term of office
Vipen Kapur <i>Non-Executive, Independent Director</i> <i>DIN - 01623192</i>	June 15, 2007	March 31, 2019	Completion of term of office
Pranab Prakash Pattanayak <i>Non-Executive, Independent Director</i> <i>DIN – 00506007</i>	October 31, 2012	March 31, 2019	Completion of term of office
Venkataraman Murali <i>Non-Executive, Independent Director</i> <i>DIN - 00730218</i>	December 1, 2011	March 31, 2019	Completion of term of office
Pranab Prakash Pattanayak <i>DIN - 00506007</i>	April 1, 2019	-	Appointment as Additional Director (Non-Executive, Independent Director)
Venkataraman Murali <i>DIN - 00730218</i>	April 1, 2019	-	Appointment as Additional Director (Non-Executive, Independent Director)
C R Muralidharan <i>DIN: 02443277</i>	April 1, 2019	-	Appointment as Additional Director (Non-Executive, Independent Director)
Diwakar B Gandhi <i>DIN: 00298276</i>	April 1, 2019	-	Appointment as Additional Director (Non-Executive, Independent Director)
Pranab Prakash Pattanayak <i>Non-Executive Independent Director</i> <i>DIN - 00506007</i>	April 1, 2019	-	Appointed at the Annual General Meeting held July 29, 2019 as Non-Executive, Independent Director for a term upto March 31, 2023
Venkataraman Murali <i>Non-Executive Independent Director</i> <i>DIN - 00730218</i>	April 1, 2019	-	Appointed at the Annual General Meeting held July 29, 2019 as Non-Executive, Independent Director for a term upto March 31, 2024
C R Muralidharan <i>Non-Executive Independent Director</i> <i>DIN: 02443277</i>	April 1, 2019	-	Appointed at the Annual General Meeting held July 29, 2019 as Non-Executive, Independent Director for a term upto March 31, 2022

Diwakar B Gandhi <i>Non-Executive Independent Director</i> <i>DIN: 00298276</i>	April 1, 2019	-	Appointed at the Annual General Meeting held July 29, 2019 as Non-Executive, Independent Director for a term upto March 31, 2024
Duruvasan Ramachandra <i>Executive Non Independent</i> <i>DIN : 00223052</i>	June 30, 2019	-	Resigned as Managing Director and CEO w.e.f. June 30, 2019
Duruvasan Ramachandra <i>Non-Executive Non Independent</i> <i>DIN : 00223052</i>	July 1, 2019	-	Appointed as Additional Director (Non-Executive, Non Independent Director
Duruvasan Ramachandra, <i>Non Executive, Non Independent</i> <i>DIN : 00223052</i>	July 29, 2019	-	Appointed at the Annual General Meeting held on July 29, 2019 as a Non-Executive, Non Independent Director
Srinivasa Chakravarthy Yalamati <i>Managing Director & CEO</i> <i>DIN: 00052308</i>	July 1, 2019	-	Appointment as Additional Director (Executive, Non-Independent Director), Managing Director and CEO
Srinivasa Chakravarthy Yalamati <i>Executive Non-Independent Director Managing Director & CEO</i> <i>DIN: 00052308</i>	July 1, 2019	-	Appointed at the Annual General Meeting held July 29, 2019 as Executive, Non-Independent Director, Managing Director and CEO of the Company for a term of 5 years from July 1, 2019
Gerrit Lodewyk Van Heerde <i>Non-Executive Non Independent Director</i> <i>DIN: 06870337</i>	August 1, 2014	July 29, 2019	Retired by rotation at the Annual General Meeting held on July 29, 2019
Igantius Michael Viljoen <i>Additional Director Non-Executive Non Independent Director</i> <i>DIN: 08452443</i>	July 29, 2019	-	Appointment as Additional Director (Non-Executive, Non- Independent Director)

Ranvir Dewan <i>Non-Executive Non Independent Director</i> DIN: 01254350	December 1, 2010	December 2, 2019	Resigned as Non-Executive, Non- Independent Director
C R Muralidharan <i>Non-Executive Independent Director</i> DIN: 02443277	April 1, 2019	October 8, 2020	Sudden demise of the Director
Umesh Govind Revankar <i>Additional Director Non-Executive, Non Independent Director</i> DIN: 00141189	December 14, 2021	-	Appointment as Additional Director (Non-Executive, Non- Independent Director)
Pranab Prakash Pattanayak <i>Non-Executive, Independent Director</i> DIN – 00506007	April 1, 2019	January 5, 2022	Ill health

XI. DETAILS REGARDING AUDITOR OF THE COMPANY

i. Details of the auditor of the Company

Name of the Auditor	Address	Auditor since
M/s R Subramaniam & Company LLP	6, Krishnaswamy Avenue, Luz, Mylapore, Chennai 600 004	September 8, 2021
M/s Abarna & Ananthan Chartered Accountants	No 521, 3rd Main, 6th Block, 2nd Phase, BSK 3rd Stage, Bengaluru - 560 085	

ii. Details of the change in auditors since last three years

S. No	Name & address of auditor	Date of appointment/ resignation	Auditor of the Company since (in case of resignation)	Remarks (viz. reasons for change etc)
1	M/s Pijush Gupta & Co, Chartered Accountants GF -17, Augusta Point , Golf Course Road, Sector – 53. Gurugram – 122002		1996	Retired at the Annual General Meeting (“AGM”) held on June 30, 2017
2	M/s G D Apte & Co Chartered Accountants	September 8, 2021	2017	Resigned at the Extra ordinary General Meeting

	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038			(“EGM”) held on September 8, 2021
3	M/s R Subramaniam & Company LLP and M/s Abarna & Ananthan Chartered Accountants	September 8, 2021		Appointed as Joint Statutory Auditors at the Extra ordinary General Meeting (“EGM”) held on September 8, 2021

XII. DETAILS OF BORROWINGS OF THE COMPANY AS ON DECEMBER 31, 2021

i. Details of secured Loan facilities

A. Term Loans as on December 31, 2021

Refer Annexure -B

B. Cash credit facilities and Working Capital Demand Loans as on December 31, 2021

Refer Annexure -B

ii. Details of Unsecured Loan Facilities

Lender's name	Type of Facility	Amount sanctioned (in `)	Principal Amount Outstanding (INDAS)	Repayment Date/ Schedule
NIL				

iii. Details of NCDs

Seri es	ISIN	Tenor/ Period of maturi ty	Coupon	Amount Issued (in lacs)	Amount Outstandin g (in lacs)	Date of allotment	Redemption date	Credit rating	Secured/ Unsecure d	Security
VII	INE722A07786	5	8.09%	8,000.00	8,043.60	5-Dec-17	5-Dec-22	CARE AA+	Secured	Receivables
VII	INE722A07802	5	8.90%	11,500.00	12,285.94	26-Mar-18	27-Mar-23	CARE - AA+	Secured	Receivables
X	INE722A07851	4	9.90%	8,000.00	10,967.99	12-Sep-18	4-Apr-22	CARE - AA+	Secured	Receivables
X	INE722A07869	4	9.90%	8,500.00	11,730.59	12-Sep-18	29-Sep-22	CARE - AA+	Secured	Receivables
XIII	INE722A07AU6	2	9.25%	50,000.00	49,728.73	28-Feb-20	28-Aug-22*	IND AA' Outlook Stable	Secured	Receivables
XII	INE722A07AF7	2	9.25%	24,000.00	23,855.94	28-Feb-20	28-Feb-22*	IND AA' Outlook Stable	Secured	Receivables
XIV	INE722A07AG5	2	9.25%	2,500.00	2,481.30	5-Mar-20	5-Mar-22*	CRISIL AA	Secured	Receivables
XIV	INE722A07AH3	2	9.70%	55,000.00	59,304.75	5-Mar-20	5-Mar-22	CRISIL AA	Secured	Receivables
XV	INE722A07AI1	1.5	8.98%	15,000.00	15,379.12	9-Sep-20	9-Mar-22	CRISIL AA	Secured	Receivables
XVI	INE722A07AJ9	1.5	8.98%	20,000.00	20,387.54	6-Oct-20	6-Apr-22	CRISIL AA	Secured	Receivables
XVI I	INE722A07AK7	1.5	8.15%	2,500.00	2,509.47	18-Nov-20	18-May-22	CRISIL AA	Secured	Receivables

XVI II	INE722A07AL5	1.7	8.95%	19,990.00	21,612.94	18-Dec-20	18-Aug-22	PP - MLD - ICRA AA (Stable)	Secured	Receivables
XIX	INE722A07AM3	2	8.60%	15,000.00	15,945.95	27-Jan-21	27-Jan-23	IND PP- MLD AA 'emr'/Stable	Secured	Receivables
XX	INE722A07AN1	9	9.25%	1,000.00	1,047.18	8-Feb-21	8-Feb-30	IND AA/stable and ICRA AA stable	Secured	Receivables
XX	INE722A07AO9	10	9.50%	3,000.00	3,147.28	8-Feb-21	7-Feb-31	IND AA/stable and ICRA AA stable	Secured	Receivables
XXI	INE722A07AP6	9	9.25%	5,000.00	5,195.71	22-Feb-21	22-Feb-30	IND AA/stable and ICRA AA stable	Secured	Receivables
XXI	INE722A07AQ4	10	9.50%	7,500.00	7,840.01	22-Feb-21	21-Feb-31	IND AA/stable and ICRA AA stable	Secured	Receivables
XXI I	INE722A07AR2	2	8.60%	49,100.00	51,634.63	1-Mar-21	1-Mar-23	IND PP- MLD AA'emr' /Stable	Secured	Receivables
XXI II	INE722A07AS0	2	8.40%	30,000.00	31,301.40	17-Mar-21	17-May-23	IND PP- MLD AA'emr'/St able	Secured	Receivables
XXI II	INE722A07AT8	2	8.40%	20,000.00	20,831.25	30-Mar-21	30-Mar-23	IND PP- MLD AA'emr' /Stable	Secured	Receivables
XXI V	INE722A07AV4	10	9.00%	10,000.00	9,959.67	23-June-21	23-June-31	CRISIL- AA/Stable, ICRA – AA/Stable	Secured	Receivables
XX V	INE722A07AX0	10	8.75%	10,000.00	10,117.82	23-Jul-21	23-Jul-31	"CRISIL AA"/ICRA AA stable	Secured	Receivables
XX V	INE722A07AW2	3	8.25%	5,000.00	5,116.84	23-Jul-21	23-Jul-24	"CRISIL AA"/ICRA AA stable	Secured	Receivables
XX VI	INE722A07AY8	3	7.95%	26,000.00	25,532.84	12-Aug-21	12-Nov-22*	'IND AA'/stable	Secured	Receivables
XVI I	INE722A07AZ5	2	8.22%	20,000.00	20,034.20	1-Sep-21	1-Mar-24	IND PP- MLD AA emr/Stable	Secured	Receivables
XX VIII	INE722A07BC2	3	7.48%	30,000.00	30,009.17	21-Sep-21	21-Sep-24	CRISIL AA Stable/IND AA Stable	Secured	Receivables
XX VIII	INE722A07BB4	1	7.70%	35,000.00	35,003.93	21-Sep-21	21-Dec-22	CRISIL AA Stable/IND AA Stable	Secured	Receivables
XX VIII	INE722A07BA6	10	8.65%	18,900.00	18,819.13	21-Sep-21	21-Sep-31	CRISIL AA Stable/IND AA Stable	Secured	Receivables
XXI X	INE722A07BD0	2.5	8.20%	30,000.00	29,903.44	23-Nov-21	23-May-24	IND PP- MLD AA'emr'/Sta ble	Secured	Receivables
XX X	INE722A07BE8	10	9.05%	60,000.00	58,469.42	21-Dec-21	20-Dec-31	CRISIL AA/Stable	Secured	Receivables
III	INE722A07901	3	9.65%	6,490.49	6,887.84	30-Apr-19	30-Apr-22	CRISIL- AA, Stable	Secured	Receivables
IV	INE722A07919	3	9.26%	4,083.90	4,070.38	30-Apr-19	30-Apr-22	CRISIL- AA, Stable	Secured	Receivables

V	INE722A07927	3	9.64%	2,461.50	3,141.39	30-Apr-19	30-Apr-22	CRISIL-AA, Stable	Secured	Receivables
VI	INE722A07935	5	9.75%	6,614.84	6,941.30	30-Apr-19	30-Apr-24	CRISIL-AA, Stable	Secured	Receivables
VII	INE722A07943	5	9.35%	3,505.80	3,450.24	30-Apr-19	30-Apr-24	CRISIL-AA, Stable	Secured	Receivables
VIII	INE722A07950	5	9.75%	2,093.97	2,644.66	30-Apr-19	30-Apr-24	CRISIL-AA, Stable	Secured	Receivables
III	INE722A07984	3	9.70%	1,582.50	1,616.08	25-Sep-19	25-Sep-22	CRISIL-AA, Stable	Secured	Receivables
IV	INE722A07992	3	9.30%	1,324.18	1,320.16	25-Sep-19	25-Sep-22	CRISIL-AA, Stable	Secured	Receivables
V	INE722A07AA8	3	9.71%	822.70	1,011.16	25-Sep-19	25-Sep-22	CRISIL-AA, Stable	Secured	Receivables
VI	INE722A07AB6	5	9.85%	5,227.32	5,309.05	25-Sep-19	25-Sep-24	CRISIL-AA, Stable	Secured	Receivables
VII	INE722A07AC4	5	9.45%	1,105.54	1,095.59	25-Sep-19	25-Sep-24	CRISIL-AA, Stable	Secured	Receivables
VIII	INE722A07AD2	5	9.88%	564.37	691.68	25-Sep-19	25-Sep-24	CRISIL-AA, Stable	Secured	Receivables
				636,367.11	656,377.31					

Note:* reflects upcoming put option date

iv. List of top10 debenture holders as on December 31, 2021

S. No	Name of Debenture holder	Category	Outstanding Amount (₹ in Lacs)	% of total NCD Outstanding
1	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE LOW DURATION FUND	MUTUAL FUND	99,117.51	15.10%
2	HDFC TRUSTEE COMPANY LTD A/C HDFC FMP 1487D AUGUST 2018 (1)	MUTUAL FUND	71,035.33	10.82%
3	LIFE INSURANCE CORPORATION	INSURANCE	58,469.42	8.91%
4	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA ULTRA SHORT DURATION FUND	MUTUAL FUND	30,005.30	4.57%
5	BANK OF INDIA	BANK	20,387.54	3.11%
6	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK FIXED MATURITY PLAN SERIES 239	MUTUAL FUND	18,912.62	2.88%
7	UNION BANK OF INDIA	BANK	15,379.12	2.34%
8	NAVI FINSERV PRIVATE LIMITED	NBFC	14,004.28	2.13%
9	INDIAN OIL CORPORATION LTD (REFINERIES DIVISION) EMPLOYEES PROVIDENT FUND	OTHERS	11,680.43	1.78%
10	NAVODAYA VIDYALAYA SAMITI CONTRIBUTORY PROVIDENT FUND A/C	OTHERS	10,981.85	1.67%

- v. The amount of corporate guarantee issued by the issuer along with name of the counterparty(like name of the subsidiary, JV entity, group company, etc)on behalf of whom it has been issued– **NIL**
- vi. Details of Commercial Papers outstanding as on December 31, 2021 – **NIL**

vii. Securitisation Details Outstanding as on December 31, 2021

Tranche Name	Investor Name	Start Date	End Date	Initial Balance in (₹ Lacs)	Securitisation Outstanding as on (₹ in Lacs)	Tenure in Months	ROI (%)
ICICI1819PTS15	IDBI TRUSTEESHIP SERVICES LTD	28-Mar-19	31-Mar-25	72,208.80	21,529.97	72	10.25%
ICICI1920PTS16	IDBI TRUSTEESHIP SERVICES LTD	26-Jul-19	15-Jul-25	22,914.05	5,167.37	72	10.25%
ICICI1920PTS17	IDBI TRUSTEESHIP SERVICES LTD	27-Sep-19	31-Jan-24	12,116.90	2,930.54	52	10.25%
LIC1920SBT01	IDBI TRUSTEESHIP SERVICES LTD	29-Oct-19	31-Aug-25	81,809.24	19,342.53	70	9.00%
SBI1920PCG01	STATE BANK OF INDIA	14-Jan-20	31-Oct-25	47,911.59	15,739.94	70	8.95%
Allahabad1920PCG02	ALLAHABAD BANK	3-Mar-20	30-Apr-25	19,192.88	7,896.05	62	9.10%
Kotak2021MTS12	IDBI TRUSTEESHIP SERVICES LTD	30-Sep-20	31-Aug-22	7,463.81	564.16	23	8.60%
DB2021MTS11	CATALYST TRUSTEESHIP LTD	9-Oct-20	28-Feb-23	30,533.54	3,847.11	29	8.98%
LIC2021SBT02	IDBI TRUSTEESHIP SERVICES LTD	22-Dec-20	10-Mar-27	73,034.07	43,440.97	75	9.11%
DCB2021MTS15	CATALYST TRUSTEESHIP LTD	29-Dec-20	20-May-23	26,375.75	3,451.41	29	8.20%
NipponMF2021MTS14	CATALYST TRUSTEESHIP LTD	31-Dec-20	20-Apr-23	14,745.44	2,516.92	28	8.42%
TATACapital2021MTS17	CATALYST TRUSTEESHIP LTD	31-Dec-20	20-Mar-23	10,266.34	1,874.22	27	8.42%
Kotak2021MTS16	IDBI TRUSTEESHIP SERVICES LTD	31-Dec-20	20-Apr-23	10,000.48	1,981.22	28	8.35%
CITI2021MTS18	IDBI TRUSTEESHIP SERVICES LTD	24-Mar-21	31-Jul-23	32,164.58	9,312.28	28	8.35%
DCB2021ATS01	CATALYST TRUSTEESHIP LTD	31-Mar-21	31-Dec-22	7,258.97	2,207.13	21	8.20%
NipponMF2122MTS19	CATALYST TRUSTEESHIP LTD	22-Jun-21	31-Oct-23	22,303.81	10,059.57	28	8.15%
Indusind2122MTS20	CATALYST TRUSTEESHIP LTD	25-Jun-21	30-Apr-23	43,557.19	24,396.31	22	8.00%
DCB2122MTS21	CATALYST TRUSTEESHIP LTD	30-Jun-21	31-Dec-22	22,741.89	14,041.60	18	8.00%
Credit Suisse2122ATS02	CATALYST TRUSTEESHIP LTD	30-Jun-21	30-Apr-22	31,456.87	10,906.90	10	A1-7.75%, A2-9.00%
NAVIFINSERV2122MTS22	IDBI TRUSTEESHIP SERVICES LTD	9-Jul-21	31-Oct-23	10,275.69	7,070.65	28	A1a-6.00%, A1b-6.50%, A1c-7.00%, A1d-7.50%
TATACapital2122MTS23	CATALYST TRUSTEESHIP LTD	30-Jul-21	30-Nov-23	14,999.79	11,131.04	28	8.25%
CITI2122MTS26	IDBI TRUSTEESHIP SERVICES LTD	22-Dec-21	30-Apr-24	24,559.86	24,631.46	28	7.85%
				637,891.54	2,44,039.35		

viii. Fixed deposits Details as on December 31, 2021

Type of instrument	Amount Outstanding as on December 31, 2021 (₹ in Lacs)	Repayment date/ schedule	Credit rating
Fixed deposits	6,62,583.36	These are the public deposits mobilized by the Company and redeemable from a period of 12 months to 60 months from the date of deposits	MAA+(stable)

ix. Sub-Ordinated Debts Details as on December 31, 2021

x. Listed subordinated debentures as on December 31, 2021- Nil

xi. Unlisted subordinated debentures as on December 31, 2021

Type of instrument	Amount Outstanding (in Lacs)	Repayment date/ schedule
Subordinated Debt	Nil	-

- Details of rest of the borrowing (if any including hybrid debt like FCCB, optionally convertible debentures/preference shares) as on December 31, 2021- **NIL**
- Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the past 3 years - **No delay in payment of any Principal / Interest in any of borrowings**
- Details of any outstanding borrowings taken/ debt securities issued were taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option - **NIL**

XIII. The Company being a Non-Banking Finance Company the following disclosures on Asset Liability Management (ALM) for the latest audited financials are as under :

- Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities by private placement –
 - Lending Policy as per Annexure H
 - Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc – Nil
 - Aggregated exposure to top 20 borrowers

(₹ In Lacs)		
Sr. No.	Name of the Borrower	Amount Outstanding
1	Jayantibhai Somabhai Patel	1687.46
2	Indian Clothing League Pvt Ltd	1270.87
3	Ramakrishna Housing Private Ltd	1235.47
4	Regent Garage Pvt Ltd	990.12
5	Jindal Art Glass Innovati Ons Private Limited	960.45
6	Arun Fabricators	945.84
7	Zen Matrix Pvt Ltd	929.57
8	Nova Agritech Limited	863.9
9	Venugopal Reddy Polamreddy	840.38

10	Avantis Enterprise	829.53
11	Agarwal Enterprise	811.45
12	Satyam Developers Gujarat Pvt Ltd	800.31
13	Chandrapalsingh Bhupendrasingh Ji Chauhan	793.99
14	New Horizone Developers	787.24
15	Diamond Footcare Udyog Pvt Ltd	744.08
16	Anjana Enterprises	739.95
17	Gauri Hari and Co	732.08
18	Synthesis Marvel	710.37
19	Babulal Ambalal Patel	688.63
20	Parameshwar Weaves	685.29

(iv) Details of loans overdue and classified as Non performing assets (NPA) in accordance with the RBI's guidelines as on December 31, 2021

Particulars	As on December 31, 2021
i) Standard (No Overdue)	18,29,041.29
ii) Overdue [ii.a.1 + ii.a.2 + ii.a.3]	11,51,746.84
ii.a.1 Overdue less than 30 days	7,66,979.48
ii.a.2 Overdue for 30 to 60 days	2,56,635.54
ii.a.3 Overdue more than 60 days to 90 days	1,28,131.82
A PERFORMING(i + ii)	29,80,761.13
iii) Substandard	1,85,392.99
iv) Doubtful	49,414.11
v) Loss	0.00
B. NON-PERFORMING (iii + iv + v)	2,34,807.10
C. Total (A + B)	32,15,568.23

b. Details of borrowing – Portfolio Summary of borrowings made and quantum and percentage of secured vs unsecured borrowings.

Particulars	Amount borrowed as at December 31, 2021 (Amount in lacs)	Percentage
Secured Borrowings		
Redeemable Non-Convertible Debenture	6,56,377.31	
Term loans from banks	8,51,880.80	
Term Loans from Financial Institution	3,71,167.90	
Securitisation - from banks	23,635.99	
Securitisation - from Others	2,20,403.36	
Cash Credit	17,850.15	
Working Capital Demand Loan	1,70,829.66	
Total Secured Borrowings	23,12,145.17	77.73%
Unsecured Borrowings		
Deposits	6,62,583.36	
Total Unsecured Borrowings	6,62,583.36	22.27%
TOTAL	29,74,728.53	

c. Details of change in Promoters – There is no change in promoters holding in the Company during last financial year beyond the threshold prescribed by Reserve Bank of India

d. Disclosures of Assets Under Management - Type of loans and Segment wise break up

Type of loans	Amount in lacs	Percentage (%)
Secured	26,67,258.32	82.95%
Unsecured	5,48,309.91	17.05%
Total assets under management (AUM)	32,15,568.23	100%

S. No	Segment- wise breakup of AUM	% of AUM
1	Retail	
a	Mortgages (home loans and loans against property)	-
b	Gold loans	12.78%
c	Vehicle finance	29.39%
d	MFI	-
e	M and SME	45.15%
f	Capital market funding (loans against shares, margin funding)	-
h	Others	12.68%
2	Wholesale	
a	-Infrastructure	-
b	-Real estate (including builder loans)	-
c	-Promoter funding	-
d	-Any other sector (as applicable)	-
e	-Others	-
Total		100%

e. Denomination of loans outstanding by ticket size as on December 31, 2021

S. No	Ticket size*	% of AUM
1	Up to ₹ 2 lakhs	52.24%
2	₹ 2-5 lakhs	7.46%
3	₹ 5-10 lakhs	8.62%
4	₹ 10-25 lakhs	19.82%
5	₹ 25-50 lakhs	4.10%
6	₹ 50 lakhs – 1 crore	3.36%
7	₹ 1 -5 crores	3.78%
8	₹ 5 -25 crores	0.62%
9	₹ 25 -100 crores	-
10	> ₹ 100 crores	-
Total		100%

f. Details of borrowers - Geographical location wise

S. No.	Top 5 states / Region	% of AUM
1	Tamil Nadu	18.78%
2	Andhra Pradesh	22.99%
3	Telangana	15.47%
4	Maharashtra	13.65%
5	Uttar Pradesh	5.81%
Total		76.70%

- g. NPA exposure of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer

Particulars	As on December 31, 2021
Gross Credit Exposure	32,15,568.23
Provisions (Stage 3)	1,11,191.49
GNPA - December 31, 2021	7.30%
NNPA - December 31, 2021	3.98%

- h. Details of Gross NPA segment wise

S. No	Segment- wise gross NPA	Gross NPA(%)
1	Retail	
A	-Mortgages (home loans and loans against property)	-
B	-Gold loans	2.09%
C	- Vehicle finance	7.24%
D	-MFI	-
E	-M and SME	8.15%
F	-Capital market funding (loans against shares, margin funding)	-
H	-Others	9.66%
2	Wholesale	
A	-Infrastructure	-
B	-Real estate (including builder loans)	-
C	-Promoter funding	-
D	-Any other sector (as applicable)	-
E	-Others	-
Total		7.30%

- i. Denomination of loans outstanding by LTV for Secured Loans, as on December 31, 2021

S. No	LTV	% of AUM
1	Up to 40%	18.56%
2	40-50%	11.69%
3	50-60%	9.14%
4	60-70%	10.90%
5	70-80%	18.57%
6	80-90%	19.09%
7	>90%	12.05%
Total		100%

- j. Classification of loans into several maturity profile denomination and Details of Assets and Liabilities Residual maturity profile wise into several bucket

Particulars	0 to 7 days	8 to 14 days	15 to 30/31 Days	Over 1 month upto 2 Months	Over 2 months upto 3 Months	Over 3 months & up to 6 Months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Deposits	2,443.71	2,869.98	9,540.29	15,626.44	20,204.55	47,337.93	111,866.37	316,552.74	136,141.35	-	662,583.36
Advances*	1,41,159.23	55,259.35	60,825.11	1,53,648.09	1,61,806.95	4,23,457.57	7,15,659.30	9,45,231.77	2,31,709.00	1,14,801.25	30,03,557.62
Investments	14,993.03	-	3,205.28	2,998.58	22,393.43	522.47	31,373.37	75,622.23	-	77,274.25	228,382.64
Borrowings	1,686.24	8,042.71	56,895.84	69,950.18	164,616.94	206,309.24	637,688.06	877,422.96	177,764.86	111,768.14	2,312,145.17

Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance

- k. Disclosure of latest ALM statements to stock exchange – There being no outstanding Commercial Papers as on December 31, 2021 no disclosures of ALM Statements to Stock Exchanges is required.

XIV. DETAILS OF PROMOTERS OF THE COMPANY

Our Promoter was originally incorporated as a private limited company under Companies Act 1956 as Shriram Chits and Investments Private Ltd and received certificate of Incorporation from ROC on April 5, 1974. The Promoter converted it into a Public limited company with effect from January 1, 1996 by changing the name to Shriram Chits and Investments Limited and a fresh certificate of incorporation was issued by the ROC on November 18, 1997. Subsequently, our Promoter was re-converted to a Private Ltd Company with effect from June 7, 2001 and the name of our Promoter was changed to Shriram Chits and Investments Private Limited and consequently an endorsement was made by reinstituting the word “Private” to the name of our Promoter by the ROC. Subsequently, the name of our Promoter was changed to Shriram Financial Services Holdings Private Ltd and a fresh certificate of Incorporation consequent to change of name was issued by ROC on December 21, 2004. Thereafter, our Promoter was further converted to a Public Limited Company and the name of our Promoter was changed to Shriram Financial Services Holdings Ltd and a fresh certificate of Incorporation consequent to the change of name was issued by the ROC on February 11, 2008. Thereafter, the name of our Promoter was changed to its current name, and a fresh certificate of incorporation consequent to change of name was issued by the ROC on March 12, 2008. The CIN and PAN of our Promoter is U65993TN1974PLC006588 and AABCS2726B respectively. The Registered Office is at Shriram House, No.4, Burkit Road, T.Nagar, Chennai – 600 017. Our Promoter is registered with RBI as systematically important core Investment Company with registration number N-07-00791 dated November 16, 2011.

Details of Promoter holding in the Company as on December 31, 2021

Sr No	Name of the Promoter	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares	No of Shares Pledged	% of Shares pledged with respect to shares owned.
1.	Shriram Capital Limited	2,23,71,594	2,23,71,594	33.89	0	0
	Total	2,23,71,594	2,23,71,594	33.89	0	0

Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company

- XV.** Abridged version of audited consolidated and standalone financial information (Profit & Loss Statement, Balance Sheet and Cash Flow Statement) for three years and auditor qualifications, if any. – **As per Annexure – C**
- XVI.** Abridged version of limited review half yearly consolidated and standalone financial information (Profit and Loss Statement and Balance Sheet) and auditor qualifications, if any. – **As per Annexure – D**
- XVII.** Any material event/development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor’s decision to invest/continue to invest in the debt securities. – **There are no such material event / development which may affect the issue or the investor’s decision to invest/continue to invest in debt securities**
- XVIII.** M/s Catatylst Trusteeship Limited shall act Debenture Trustee for the Issue and the Debenture Trustee had given consent for acting as Trustees under Regulation 8 of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities), 2021 as amended from time to time to the Issue and for inclusion of

their name in all subsequent periodical communications to be sent to the holders of debt securities. Consent Letter from the M/s Cataylst Trusteeship Limited – **As per Annexure - E**

XIX. The security is not backed by a guarantee or letter of comfort or any other document/ letter with similar intent.

XX. The debt securities are proposed to be listed on M/s BSE Ltd.

XXI. OTHER DETAILS

- i. **CREATION OF DEBENTURE REDEMPTION RESERVE (“DRR”) -** As per provisions of the Companies Act, 2013 and Companies (Share Capital and Debentures) Rules 2014 as amended from time to time, creation of DRR for NCDs issued on private placement basis is not required for the NBFC registered with RBI. Since it is an issue of NCDs on Private Placement basis by an NBFCs registered with RBI, creation of DRR is not required. Any modifications or amendments in the regulations made by the Central Government or any other statutory authority in respect of creation of DRR, the Company shall abide by such modifications or amendments.
- ii. **REGULATIONS GOVERNING THE ISSUE AND RELEVANT DETAILS REQUIRED UNDER COMPANIES ACT 2013, RBI REGULATIONS, SEBI (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021 AND APPLICABLE REGULATIONS IF ANY**

- a. **ELIGIBILITY OF THE COMPANY FOR THE ISSUE:** The Company satisfies the conditions prescribed under Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules 2014, Companies (Prospectus and Allotment of Securities) Rules 2014 as amended from time to time, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time for issue of NCDs on Private Placement Basis.

The issue of NCDs comprised in the Issue and described under this Shelf Placement Memorandum has been authorised by the Issuer through the Memorandum and Articles of Association of the Company, resolutions passed by Shareholders on June 11, 2021. The shareholders have authorised Board of Directors or the Committee of the Board of Directors to offer, issue and allot the NCDs on private placement basis. The Committee approved the private placement of Secured Rated Listed Redeemable Non-Convertible Debentures (SNCDs) of face value of ₹ 10,00,000/- each for an amount of ₹ 150 crores (“base issue size”) with green shoe option upto ₹ 500 crores aggregating up to 6500 NCDs amounting to ₹ 6,50,00,00,000/- (Rupees six hundred and fifty crores) in one or more tranches as fully paid-up or partly paid up (“Issue”) under Series XXXI on February 9, 2022. The present issue of 6500 NCDs in terms of this Shelf Placement Memorandum is within the overall powers of the Board as per the above resolution passed by the shareholders of the Issuer. The shareholders have authorised the Board of Directors or the Committee of the Board of Directors to borrow not exceeding the aggregate of ₹40,000 crores (Rupees forty thousand crores only) at the Annual General Meeting of the Company held on July 29, 2021.

- b. **OBJECT OF THE ISSUE AND UTILIZATION OF THE ISSUE PROCEEDS:** The Company proposes to raise Secured Rated Listed Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each for an amount of ₹ 150 crores (“base issue size”) with green shoe option upto ₹ 500 crores aggregating up to 6500 NCDs amounting to ₹ 6,50,00,00,000/- (Rupees six hundred and fifty crores) in one or more tranches as fully paid-up through the issue of NCDs by way of private placement as per the terms and conditions of this SPM. The Main Object Clause of the Memorandum of Association of the Company enables it to undertake the existing activities and the activities for which the funds are being raised through this Issue. The Capital Adequacy Ratio of the Company as on December 31, 2021 was 27.85%. The object of the issue is to augment resources of the Company.

The proceeds from the Issue shall not be utilized by the Company in contravention of any regulation issued by RBI, Central Government and SEBI in this regard. Subject to applicable law, the management of the Company, according to the policies formulated by it from time to time, will have flexibility in deploying the proceeds, after meeting expenses of the Issue, including interim usage in temporarily investing in mutual funds, deposits with banks/institutions/balances in current accounts.

-
- The issue proceeds will be to meet funding requirements of the Issuer for on-lending purpose, augmenting medium to long term resources for the company and regular business activities.
- The Issuer hereby agrees, confirms and undertakes that the proceeds shall not be utilized for:
 - Real Estate Business, Capital Market Investments and Purchase of Land
 - Extending loans or making any inter-corporate deposits to/in subsidiary/associate Company(ies)
 - Any speculative/other purposes specifically restricted by RBI and other regulatory/bodies and updated from time to time
 - Bill Discounting
 - Repayment of any Loans from Directors/ Promoters

*In this context, the expression, “Real Estate Business” shall have the same meaning as assigned to it in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time.

No part of the proceeds of the NCDs would be utilized by the Issuer directly/indirectly towards equity capital markets or for any speculative purposes. Hence, the subscription to the current NCD issue would not be considered /treated as capital market exposure. Further, the Company undertakes that Issue proceeds from NCDs allotted to banks would not be utilized for any purposes which may be in contravention to any RBI /SEBI regulations

The Break-up of the Object of the Issue are as follows:

Particulars	% of Utilisation of Proceeds
On-Lending Purpose ,Augmenting medium to long term resources for the company , Repayment including prepayment of the Debt	75%
Regular Business Activities	25%
Total	100%

- c. **PROJECT COST AND MEANS OF FINANCING IN CASE OF NEW PROJECTS:**The amount to be raised by issue of NCDs on private placement basis shall not be utilized for meeting the cost of any projects or financing any new projects of the Company.
- d. **DEEMED DATE OF ALLOTMENT:** Interest on NCDs shall accrue to the NCD holder(s) from and including the deemed date of allotment that will be notified in the term sheet. All benefits relating to the NCDs will be available to the investors from the Deemed Date of Allotment. The actual allotment of NCDs may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/ deemed date(s) of allotment at its sole and absolute discretion without any prior notice and shall have a right to allot the NCDs in tranches / series which shall form the part of this Issue. In case the issue closing date is changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed(pre-poned/ postponed) by the Company at its sole and absolute discretion.
- e. **MARKET LOT:** The market lot shall be one NCDs of face value of ₹ 10,00,000 each (“Market Lot”). Since the NCDs are being issued only in dematerialised form, the odd lots will not arise either at the time of issue/allotment or at the time of transfer of NCDs.
- f. **TRADING:** The trading in NCDs would be permitted in the anonymous, order driven system of the Stock Exchange in a separate trading segment. The marketable lot would be one NCDs of face value of ₹ 10,00,000. All class of investors would be permitted to trade subject to the standard denomination/marketable lot. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

- g. **INTEREST ON APPLICATION MONEY:** Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any statutory modification or

re-enactments thereof) and will be paid on the entire application money on all valid applications. Such interest shall be paid for the period commencing from the date of credit by way of funds transfer /Real Time Gross Settlement (RTGS) upto one day prior to the date of allotment. No interest on application money would be payable in cases of invalid applications.

- h. **TRANSFER/ TRANSMISSION OF NCDs:** The Debentures shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures to a person who is not entitled to subscribe to the Debentures. The Debenture(s) shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and the Applicable Law. The Debentures held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee and the Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP. Transfer of the Debentures to and from FIIs/ NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines issued by RBI.

- i. **STATUS OF NCDs:** The NCDs shall rank pari-passu inter se and without any preference or priority among themselves. Subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, the NCDs shall also, as regards the principal amount of the NCDs , interest and all other monies secured in respect of the NCDs , rank pari-passu with all other present and future holders of NCDs issued by the Company in the same category.

- j. **TAX DEDUCTION AT SOURCE:** Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or reenactment thereof will be deducted at source for which a certificate will be issued by the Company. As per the provisions of the Income Tax Act, 1961, with effect from June 1, 2008, no tax is deductible at source from the amount of interest payable on any listed dematerialised security, held by a person resident in India. Since the NCDs shall be issued in dematerialised mode and shall be listed on the WDM segment of BSE / debt segment of NSE, no tax will be deductible at source on the payment/credit of interest/ ematcit yield on NCDs held by any person resident in India. In the event of rematerialisation of the NCDs, or NCDs held by person resident outside India or a change in applicable Law governing the taxation of the NCDs, the Company is required to make a tax deduction, the Company shall make the payment required in connection with that tax deduction within the time allowed and in the minimum amount required by applicable law. Interest on application money shall be subject to TDS at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company.

For seeking TDS exemption / lower rate of TDS, relevant certificate / document must be lodged by the Debenture Holder(s) at the Corporate Office of the Company at least 15 (Fifteen) days before the interest payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money should be submitted along with the Application Form. For detailed tax implications of the investment in NCDs, investors should get in touch with their tax consultant.

- k. **PURCHASE AND RESALE OF NCDS :** The Company may, subject to Applicable Law at any time and from time to time, at its sole and absolute discretion and subject to prior approval of Reserve Bank of India, purchase some or all of the NCDs held by the Debenture Holders at any

time prior to the specified date(s) of redemption / put / call as specified in the relevant Tranche Placement Memorandum . Such buy-back of NCDs may be at par or at discount / premium to the face value at the sole discretion of the Company. The NCDs so purchased may, at the option of the

Company, be cancelled, consolidated, held or resold in accordance with the provisions of the Applicable Law.

- l. **CONSOLIDATION OF ISINs** : So long as the terms and conditions of the existing securities of the Company (under the respective issues) in the International Securities Identification Number (ISIN) are not revised (i) otherwise than as may be required/permitted by regulations; or (ii) which results in breach of or violation of the regulations from time to time, which specifically precludes such revision, subject to Applicable Laws, the Company reserves the right/is entitled to add additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the existing securities under the respective issues under the same ISIN. Such additional securities and their terms may be such as are permitted by regulations or not specifically precluded by regulations from time to time. Further, such additional securities may be issued from time to time at such issue price, either at par or at premium or at discount to arrive at the contracted effective yield from time to time. The securities listed by the Company under the terms of the respective transaction documents (including any Debentures issued by the Company hereunder under the terms of the respective Tranche Placement Memorandum) be redeemed before maturity date by the Company, as per the financial or other terms as may have been mutually agreed upon between the Company and the security holder (or in accordance with Paragraph 3 of this Schedule I in respect of an early redemption of any Debentures issued under any Tranche Placement Memorandum). The said redemption maybe done either on a pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit. In this regard, the Company shall be entitled to:
 - (i) add such additional securities (for such additional amounts as may be issued by the Company from time to time) to the existing ISIN from time to time under such terms and conditions, which may / may not be different from the terms of securities under the respective issues existing under the said ISIN.
 - (ii) select any of the listed securities in the ISIN for redemption as the Company may solely deem fit either by pro rata basis or by lot or by any other manner whatsoever, as the Company may deem fit, before maturity, from time to time.
- n. **SECURITY**: Exclusive charge Debenture Trust Deed cum deed of hypothecation on the specific standard asset portfolio of receivables (“Company’s Receivables”) to be executed between the Company and the Debenture Trustee as described herein.
- o. **UNDERWRITING**: The Issue is on private placement basis. Hence it shall not be underwritten.
- p. **FREQUENCY, PRINCIPAL AND INTEREST PAYMENT**: The NCDs shall carry interest at the rate as notified in the Term Sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Issuer) payable to the holders of NCDs whose names appear in the list of beneficiaries maintained by the Depositories as on the Record date/Book Closure date fixed by the Company in accordance with this Shelf Placement Memorandum and LODR. Such list shall be considered for payment of interest or repayment of principal amount, as the case may be.

The Issuer would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and informed to the Issuer where upon the interest/benefits will be paid to the beneficiaries within a period of 30 days.

If any interest payment date falls on a day which is not a Business Day then payment of interest will be made on the next Business day. The interest payable shall not be adjusted due to payment

being made on the next working day. In case the principal redemption date falls on a day which is not a Business Day then the payment due shall be made on the previous Business Day.

In case the Deemed Date of Allotment is revised (pre-poned/ postponed) then the above Interest Payment Date may also be revised pre-poned/ postponed) accordingly by the Company at its sole & absolute discretion.

The NCDs will not carry any obligation, for interest or otherwise, after the date of redemption as specified in the Term Sheet. The NCDs held in the dematerialized form shall be taken as discharged immediately. Such payment shall be a legal discharge of all the liability of the Company towards the NCD holders. After making such payment, the Company will inform extinguishment and deactivate International Securities Identification Number of such NCDs.

- q. **NAME AND ADDRESS OF THE VALUER WHO PERFORMED VALUATION OF THE SECURITY OFFERED:** Since the minimum and maximum Issue size of NCDs is considered and determined based on the provisions contained in the Companies Act 2013 and RBI Regulations, the NCDs shall not be required to be valued by any registered valuer.
- r. **RATING RATIONALE AND CREDIT RATING LETTER ADOPTED BY RATING AGENCIES:** The NCDs proposed to be issued under this Issue have been rated as 'CRISIL AA' by CRISIL Ratings Limited for an amount up to ₹ 1000 Crores vide it's letter dated February 4, 2022 and 'IND AA'/Outlook Positive by India Ratings and Research Private Ltd (India Ratings) for an amount up to ₹ 4500 Crores vide it's letter dated February 7, 2022. The rating of the NCDs by indicate high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating provided by may be revised, suspended, withdrawn by the assigning rating agency and should be evaluated independently of any other rating. The above rating is not a recommendation to buy, sell, hold, transact in the NCDs and investors should take their own decision. The rating obtained is subject to revision at any point of time in the future. For, further details, please refer to the rating letter and rationale for the above ratings. The link for the press release for the Rating provided by CRISIL Ratings Limited is https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShriramCityUnionFinanceLimited_September%2008,%202021_RR_278161.html and India Ratings and Research Private Limited is <https://www.indiaratings.co.in/PressRelease?pressReleaseID=56631>
- s. **ANY MATERIAL DEVELOPMENT AT THE TIME OF ISSUE:** There are no material developments or changes affecting the Company during the time of Issue.
- t. **DETAILS OF IN PRINCIPLE APPROVAL:** Before issue of NCDs, the Company shall apply for and obtain in principle approval from the Recognized Stock Exchange where the NCDs are proposed to be listed.
- u. **FUTURE BORROWINGS:** The Company shall be entitled to further borrow, make issue(s) of NCDs, raise loans and advances ,deferred payment guarantees or other financial facilities from time to time in any form from such persons/banks/financial institutions or body corporate/or any other agency on such terms and conditions as the Company may think appropriate, subject to the issuer maintaining the adequate security cover as agreed. However, until the NCDs are fully redeemed, the Company shall not create any further charge on the properties/receivables under this Issue without the prior written approval of the DT.
- v. **SUCCESSION:** In the event of demise of a Debenture Holder, the Company will recognize the executor or administrator of the demised Debenture Holder or the holder of succession certificate or other legal representative of the demised Debenture Holder as the registered holder of such NCDs, if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may, in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled

to the NCDs standing in the name of the demised

Debenture Holder on production of sufficient documentary proof or indemnity. In case a person other than individual holds the NCDs, the rights in the NCDs shall vest with the successor acquiring interest therein, including liquidator or any such person appointed as per the Applicable Law. Where a non-resident Indian becomes entitled to the NCDs by way of succession, the documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs was acquired by the NRI as part of the legacy left by the deceased

holder. Proof that the NRI is an Indian National or is of Indian origin. Such holding by the NRI will be governed by the prevailing guidelines of RBI.

- w. **DISCLOSURE CLAUSE:** In the event of default in the repayment of the principal and/or interest thereon on the due dates, the DT and/or the RBI /SEBI/any other statutory authorities will have an unqualified right to disclose or publish the name of the issuer and its directors as defaulter in such manner and through such medium as the DT and/or the RBI and/or SEBI/ any other statutory authorities in their absolute discretion may think fit. Over and above the aforesaid Terms and Conditions, the said NCDs shall be subject to the Terms and Conditions to be incorporated in the Debenture Trust Deed/Trustee Agreement
- x. **DEBENTURE HOLDER NOT A SHAREHOLDER:** The NCD holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the NCDs is placed before the members of the Issuer, such resolution will first be placed before the NCD holders for their consideration.
- y. **MODIFICATION OF RIGHTS:** The rights, privileges and conditions attached to the Debenture(s) and this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum(s) may be varied, modified or abrogated in accordance with the Articles of Association of the Company, Debenture Trust Deed and the Act and with the consent of the Super Majority Debenture Holder(s). The rights, privileges and conditions attached to the Debentures of a particular Series, may be varied, modified or abrogated in accordance with the Article of Association of the Company, Debenture Trust Deed and the Act and with the consent of the Super Majority Debenture Holders of that Series of Debentures. Provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the Debenture(s) if the same are not acceptable to the Company. Provided that the Debenture Trustee and the Issuer may agree to make any modifications in this Shelf Information Memorandum or any Tranche Placement Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.
- z. **NOTICES :**The Company agrees to send notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013 shall be applicable for such meeting. The notices, communications and writings to the Debenture Holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post or through recognized overnight courier service or by hand delivery to the sole / first allottee or sole/first registered Debenture Holder as the case may be at its address registered with the Company. All notices, communications and writings to be given by the Debenture Holder(s) shall be sent by registered post or through recognized courier service or by hand delivery to the Company at its Registered Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual
- aa. **SPLITTING :**Splitting of the NCDs is not applicable in the dematerialised mode form since the saleable lot is 1 (one) Debenture.
- bb. **DISPUTES AND GOVERNING LAW:** The NCDs shall be construed to be governed in accordance with regulations applicable to the offer, issue and allotment of NCDs on private placement basis. The applicable regulation alone shall have jurisdiction in connection with any matter arising out of or under these precincts.

iii. APPLICATION PROCESS

1. **HOW TO APPLY:** The Issue will open on the 'Issue Opening Date' and close on the 'Issue Closing Date' (both days inclusive) as stated in the Shelf Placement Memorandum. Potential investors who wish to invest in the Issue are requested to submit an application for the Debentures with all the accompanying documents and the application money at any time starting from the Issue Opening Date and upto the Issue Closing Date. Applications for the Debentures must be made in the prescribed Application Form contained in the Private Placement Offer Cum Application Letter
2. as provided by the Company and must be completed in block letters in English by the investors. Application Form must be accompanied by payment details. All Application Forms, duly completed, together with cheque/ demand draft or Electronic transfer drawn or made payable in favour of "Shriram City Union Finance Limited" of the amount payable on application. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein. Applications complete in all respects (along with all necessary documents as detailed in this Shelf Placement Memorandum) must be submitted before the last date indicated in the issue time table or such extended time as decided by the issuer. No separate receipt will be issued for the application money. In case the payment is made through any electronic mode of payment such as RTGS/ NEFT, the funds have to be credited to account, the details of which shall be provided in the Private Placement cum Application Letter. It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer. The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

The Electronic Book Provider for the Issue, if applicable is M/s BSE Ltd. The bidding process, parameters and requirements for the Debentures issues pursuant to the electronic bidding mechanism will be in accordance with the Securities and Exchange and Board of India SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. SEBI FAQs issued on Electronic Book Mechanism for issuance of debt securities on private placement basis and the operational guidelines issued by the BSE. In case of issuance through the Electronic Bidding Platform (EBP) the applicant or the bidder has to fulfil /comply with the SEBI circular no. CIR/IMD/DFI/148/2016 dated April 21, 2016. SEBI FAQs issued on Electronic Book Mechanism for issuance of debt securities on private placement basis. Successful Bidders to transfer funds from bank account(s) to the registered bank account of the clearing corporation to the extent of funds pay-in obligation on or before 10:30 hours on the pay-in date. As a matter of precaution against possible fraudulent encashment of interest warrants/ cheques due to loss/misplacement, the applicant should furnish the full particulars of his or her bank account (i.e. Account Number, name of the bank and branch) at the appropriate place in the Application Form. Interest warrants will then be made out in favour of the bank for credit to his/ her account so specified and dispatched to the investors, who may deposit the same in the said bank. Cheques / demand drafts / Electronic transfer may be drawn on any bank which is situated and is a member or sub-member of the Banker's Clearing House located at Mumbai. Investors are required to make payments only through Cheque /demand drafts / Electronic transfer payable at Mumbai. The Issuer assumes no responsibility for any applications / cheques / demand drafts lost in mail or in transit.

3. **MINIMUM SUBSCRIPTION:** One NCD of ₹10 lakhs each and in multiple of one NCD thereafter. The entire subscription amount is required to be paid along with the application. As required under the guidelines on Private Placement of NCDs by NBFCs issued by RBI, Minimum Subscription of NCDs per investor shall be ₹ 20,000 (Rupees twenty thousand only) and Subscription of NCDs on private placement basis is categorized into parts namely (1) Maximum Subscription of less than ₹ 1 Crore (One crore only) is limited upto 200 subscribers for each financial year (2) No limit on the maximum number of subscribers with minimum subscription of ₹1 crore and above
4. **WHO CAN APPLY :** Nothing in this Shelf Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to offer, to be made to the public or any section thereof through this Shelf Placement Memorandum and this Shelf Placement Memorandum and its contents should not be construed to be a prospectus under the Act. The Issue is a domestic issue and is being made

in India only. This Shelf Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and only such recipients are eligible to apply for the NCDs. An application made by any other person will be deemed to be an invalid application and rejected. Subject to applicable law, the categories of investors eligible to subscribe to the NCDs in this Issue, when addressed directly, are:

1. Scheduled Commercial Banks;
2. Financial Institutions;
3. Qualified Institutional Buyer;
4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);
5. Regional Rural Banks;
6. Mutual Funds;
7. Companies, Bodies Corporate authorized to invest in Debentures;
8. Provident Funds, Gratuity, Superannuation, subject to their Investment guidelines.
9. High Net Worth Individuals
10. Foreign Portfolio Investors
11. Foreign Institutional Investors
12. Any other investor authorized to invest in these debentures

Shortlisted investors as may be identified by the Board prior to issuance of the offer(s)/invitation to subscribe to the NCDs, shall be considered as the “identified person(s)” to whom the Company can make private placement of the NCDs and only such “identified persons” shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such “identified persons” shall be entitled to subscribe to the Debentures under this Series.

All investors are required to check and comply with Applicable Laws including the relevant rules /regulations / guidelines applicable to them for investing in this Issue of NCDs and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

No other person may apply. Hosting of Shelf Placement Memorandum on the website of the BSE/ NSE should not be construed as an offer or an invitation to offer to subscribe to the NCDs and the same has been hosted only as it is stipulated by the SEBI Debt Listing Regulations read with the Electronic Bidding Platform Circular. Investors should check their eligibility before making any investment. Although above investors are eligible to apply however only those investors, who are individually addressed through direct communication by the Company/ Sole Arranger, are eligible to apply for the Debentures.

The applications must be accompanied by certified true copies of

- (1) Memorandum and Articles of Association/ Constitution/ Bye-laws along with Certificate of Incorporation / Documents governing Constitution
- (2) Resolution authorizing investment and containing operating instructions
- (3) Specimen signatures of authorised signatories
- (4) PAN Card.
- (5) Registration Certificate
- (6) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable.

5. SUBMISSION OF DOCUMENTS : The details of documents required to be submitted by various categories of Applicants (who have applied for Allotment of the Debentures) while submitting the Application Form:

- a) **Applications by Banks / eligible Foreign Institutional Investors (subject to applicable law) -**
The application must be accompanied by copies of (i) Board Resolution authorizing investments and containing operating instructions or letter of authorization, if applicable or Power of Attorney,

if applicable and (ii) specimen signatures of authorized signatories. (iii) Registration Certificate as may be applicable

- b) Applications by Corporate Bodies / Eligible Financial Institutions /Companies / Statutory Corporations /Trusts** -The applications must be accompanied by copies of (i) Memorandum and Articles of Association / Trust Deed / proof of Constitution, as may be applicable (ii) Resolution authorizing investment and containing operating instructions; (iii) Specimen signatures of authorized signatories; (iv) Necessary certificate for claiming exemption from deduction of tax at source on interest on application money.
- c) Application made by Mutual Funds / Insurance Companies-** The application must be accompanied by copies of (i) SEBI Registration Certificate / IRDA Registration Certificate, as may be applicable. (ii) Authorised Signatories list containing operating instructions along with the specimen signatures and Power of Attorney forwarded by the custodian of the Mutual Fund/Insurance Company. (iii) Application Form shall clearly indicate the name of the concerned scheme for which application is being made. In case of applications by Mutual Funds registered with SEBI, a separate application must be made in respect of each scheme of the Mutual Fund and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/Trustee/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

The list of documents required to be provided by an investor as mentioned above is only indicative and an investor will be required to provide all additional documents / authorizations / information, which may be required by the Company. Notwithstanding anything contained hereinabove, the Company may but is not bound to revert to any investor for any additional documents / information and can accept or reject an application as it deems fit, without assigning any reasons.

Submission of completed Application Form

All applications duly completed accompanied by fund transfer instrument / fund transfer instructions from the respective investor's account to the account of the ICCL/relevant clearing corporation, shall be submitted at the Corporate Office of the Company.

- 5. APPLICATIONS UNDER POWER OF ATTORNEY / RELEVANT AUTHORITY :** In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organizations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted, or at the office of the Registrars to the Issue after submission of the Application Form to the bankers to the issue or any of the designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all the authorized signatories and the tax exemption certificate/document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/additions in the power of attorney or authority should be notified to the Company at its registered office and/or Corporate Office.

- 6. PAN/GIR No:** All applicants should mention their Permanent Account number (PAN) allotted under Income Tax Act, 1961 or where the same has not been allotted, the GIR Number and the IT Circle/Ward/District should be mentioned. In case where neither the PAN nor the GIR number has been allotted, or the applicant is not assessed to Income Tax, the fact of such non-allotment should be mentioned in the Application Form. Applications without this will be considered incomplete and are liable to be rejected.

7. RIGHT TO ACCEPT OR REJECT APPLICATIONS :

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. Application Forms that are not complete in all respects or not in the prescribed form, may be rejected at the sole and absolute discretion of the Company. Any application, which has been rejected, would be intimated by the Company along with the refund warrant. Subject to the aforesaid, in case of over subscription, priority will be given to investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8. FICTITIOUS APPLICATIONS: Any person who (i) makes in a fictitious name, an application to the Company for acquiring, or subscribing for any Debentures therein, or (ii) otherwise induces the Company to allot or register any transferor of Debentures therein to him or any other person in a fictitious name, shall be punishable under the extant laws. Fictitious Applications will be rejected. Attention of applicants is specially drawn to the provisions of Section 38 (1) of the Companies Act, 2013.

9. DEPOSITORY ARRANGEMENT: The Company has appointed Integrated Registry Management Services Private Limited as Registrar to the Issue for the Debenture issuance. The Company has entered into depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

10. DEBENTURES IN DEMATERIALIZED MODE: The Company will make allotment of NCDs to investors in due course after verification of the application form, the accompanying documents and on realization of the application money. The letter of allotment of NCDs will be credited in dematerialized form within 2 (Two) Business Days from the Deemed Date of Allotment. Investors will have to hold the NCDs in dematerialized form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. Notwithstanding the foregoing, investors have the option to seek rematerialisation of NCDs (i.e. investors shall have the right to hold the NCDs in physical form) at any time in the future.

11. LOSS OF CERTIFICATES / INTEREST CHEQUES / REFUND CHEQUES: Loss of Certificates / Interest cheques / Refund cheques should be intimated to the Company along with request for duplicate issue. Relevant statute and any other conditions as may be prescribed by the Company would govern the duplicate issue.

12. REFUND ORDER(S) AND INTEREST IN CASE OF DELAY IN DISPATCH: The Issuer further agrees to pay interest as per the applicable provisions of the Companies Act, 2013, if the refund orders have not been dispatched to the applicants within 30 days from the date of the closure of the issue.

13. SIGNATURES: Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

14. NOMINATION FACILITY: As per the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nomination.

15. ALLOTMENT: The Company has made depository arrangements with NSDL and CDSL for the issue of these Debentures in Dematerialized Form. The investors shall hold these Debentures in the dematerialized form and will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL and CDSL (as applicable) from time to time and other Applicable Laws and rules notified in respect thereof.

Investors should mention their NSDL/ CDSL Depository

Participant's name, DP-ID and Beneficiary Account Number at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL/ CDSL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

The Company shall credit the NCDs in the demat account of the investors as per the details furnished in the Application Form.

- 16. REFUND:** The Issuer will execute and dispatch / credit to the DP account of the allottee the letters of Allotment / Allotment advice in favour of the allottee or Refund Letter along with refund amount, not later than 7 (seven) working days after receipt of completed Application Form or the Date of Allotment, whichever is later. After completion of all legal formalities, the Issuer will issue the Debentures Certificate(s) / credit the DP account of the allottee's against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment or such extended period subject to obtaining the approvals, if any. The Company shall ensure dispatch of Refund Orders by Registered Post / Courier / Hand Delivery and adequate funds for the purpose shall be made available. The Issuer agrees that it shall pay interest in accordance with provisions of the Companies Act, SEBI Regulations (as applicable), if there is a delay in dispatch of Allotment Letters / Refund Orders. The payment will be subject to deduction of tax at source at the rates prescribed under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof.

XXI. ISSUE DETAILS -The Summary term sheet for the NCDs is as under

Security Name	As per Addendum to Shelf Placement Memorandum
Issuer	Shriram City Union Finance Limited (SCUF/Issuer/ Company)
Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As mentioned in the Shelf Placement Memorandum under captioned "Eligible Investor"
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing	On the Wholesale Debt Market(WDM) segment and Capital Market Segment of M/s BSE Limited Delay in Listing: In case of delay in listing of the debt securities beyond 4 (Four) trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 (Four) trading days from the date of closure of issue till the listing of such debt securities to the investor.
Rating of Instrument	"CRISIL AA" by CRISIL Ratings Limited and "IND AA/Outlook Positive" by India Ratings & Research Private Limited
Issue Size Base Issue : Green Shoe :	As per Addendum to Shelf Placement Memorandum
Option to retain oversubscription	As per Addendum to Shelf Placement Memorandum
Objects & Details of the utilization of the Proceeds	The Issue proceeds will be utilized to augment medium to long-term resources of the Company and for on-lending purposes

	The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the 'Exclusion List' (as such term shall be defined under the Transaction Documents) or investment in the real estate sector. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines. No loan shall be given to group company(ies) from the proceeds of the issue.
Coupon	As per Addendum to Shelf Placement Memorandum
Step Up / Step Down Coupon Rate	As per Addendum to Shelf Placement Memorandum
Coupon Payment Frequency	As per Addendum to Shelf Placement Memorandum
Coupon Payment Dates	As per Addendum to Shelf Placement Memorandum
Coupon Type (Fixed, floating or other structure)	As per Addendum to Shelf Placement Memorandum
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	As per Addendum to Shelf Placement Memorandum
Days Count Basis	Actual / Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case of leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period. (SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021)
Interest Application Money	Not Applicable
Default Interest Rate	Security Creation (where applicable): In case of delay in execution of Debenture Trust Deed cum Deed of Hypothecation and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor. Default in Payment and other Events of Defaults: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate will be payable by the Company for the defaulting period. In case issuer defaults other events of defaults as specified in the Transaction documents. The Issuer agrees to pay additional interest of at least @ 2%. over the Coupon Rate for the defaulting period. Delay in Listing: In case of delay in listing of the debt securities beyond 4 trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 trading days from the date of closure of the Issue till the listing of such debt securities to the investor.
Tenor	As per Addendum to Shelf Placement Memorandum
Redemption Date	As per Addendum to Shelf Placement Memorandum
Redemption Amount	Rs. 10,00,000/- per NCD.
Redemption premium / discount	NA
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Discount at which NCD is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	NA
Put Option Price	NA

Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Minimum Application and in multiples of NCD thereafter	10 Debenture of Rs.10,00,000 each and in multiples of 1 Debenture thereafter
Issue Timing	As per Addendum to Shelf Placement Memorandum
Issue Opening Date	As per Addendum to Shelf Placement Memorandum
Issue Closing Date	As per Addendum to Shelf Placement Memorandum
Date of earliest closing of the issue, if any	Not applicable
Pay in Date	As per Addendum to Shelf Placement Memorandum
Deemed Date of Allotment	As per Addendum to Shelf Placement Memorandum
Issuance mode of the instrument	Demat Form
Trading mode of the instrument	Demat Form
Settlement mode of the instrument	RTGS / Fund Transfer
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Disclosure of interest / redemption dates	As per Addendum to Shelf Placement Memorandum
Business Day Convention	If any interest payment date fall on a non-business day, the payment may be made on the following working day without liability for making payment of interest for the delayed period . If any principal payment date falls on a non-business, Principal will be payable on the previous working day along with interest up to date, . Working days shall be all days on which money market is functioning in Mumbai excluding Saturday & Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Coupon payment convention will be as per SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Record date	15 Calendar Days prior to the relevant event
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	1.1 Covenant to Pay Principal and Interest: 1.1.1 The Company covenants with the Trustee that it shall pay to the Debenture Holder(s)/Beneficial Owner(s) the principal amount of the Debentures together with redemption premium, if any, on the Redemption Dates and shall also pay interest (inclusive of penal interest where applicable) on the Debentures in accordance with Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum. Provided that if so called upon by the Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s)/Beneficial Owner(s). Such payments shall be passed on to the Debenture Holder(s)/Beneficial Owner(s), subject to the appropriation in the order of preference mentioned in Clause 10.17 of this Deed. 1.1.2 The Company shall, at all times until the Secured Obligations have been duly discharged, maintain a bank account no. 913020045382436 with Axis Bank

Limited, ("Account Bank") from which it proposes to pay the redemption amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details.

1.1.3 The Company further acknowledges, agrees, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI regulations and as per company letter dated 2nd Dec 2020 countersigned by the Account Bank. Further, in case of change of Account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter and duly accepted consent letter from the successor / new account bank.

1.1.4 The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holder(s) pursuant to the terms of this Deed.

1.2 INTEREST

1.2.1 The Debenture Holder(s)/Beneficial Owners(s) shall be paid interest in accordance with the provisions under Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum.

1.2.2 Interest and all other charges shall accrue from day to day and shall be computed on the basis of actual number of days elapsed, in a year of 365 days year or 366 days (in case of leap year), as the case may be. The interest for the last broken period shall be payable at the time of Redemption of said Debentures.

1.2.3 Any payments to be made to the Debenture Holder(s)/Beneficial Owner(s), including payment of interest, payment upon Redemption, shall be made by the Company using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) or any other permitted electronic method as offered by Debenture Holder(s) / Beneficial Owner(s) into such bank account of a Debenture Holder/Beneficial Owner as may be notified to the Company by such Debenture Holder/Beneficial Owner or the Trustee at the time of applying to the Debentures or as may be notified to the Trustee, subsequently through a valid communication channel.

1.3. General Undertakings / Obligations

1.3.1. The Company shall as required by Section 88 of the Act, keep at its registered office / corporate office a Register of the Debenture Holder(s) holding Debentures, in physical / electronic form showing (a) the name and address and the occupation, if any, of each holder, (b) the amount of the Debentures held by each holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the Register as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof.

The Debenture Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in Section 94 of the Act, be entitled to inspect the said Register and to take copies of or extracts from the same or any part thereof during usual business hours. The Register may be closed by the Company at such time and for such periods as it may think fit in accordance with the provisions of the Act after giving not less than 7 days' previous notice or such notice as prescribed under Applicable Law by advertisement in some newspaper circulating in the district in

which the Company's registered office is situate. No transfer will be registered during such period when the register of Debenture Holder(s) remains closed.

1.3.2. The Company shall request the Depository to provide a list of Beneficial Owner(s) showing (a) the name and address and the occupation, if any, of each Debenture Holder, (b) the amount of the Debentures held by each Debenture Holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the list as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof, as at the end of day 1 day prior to the start of the book closure period or at the Record Date, as the case may be. This shall be the list which shall be considered for payment of interest and Redemption of Debentures.

1.3.3. The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Secured Assets and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Secured Assets and the business of the Company shall at reasonable times be open for inspection of the Trustee and such person or persons, as the Trustee shall, from time to time, in writing for that purpose appoint.

1.3.4. The Company shall comply with all applicable directions, regulations and guidelines issued by any Governmental Authority including but not limited to the issue of Debentures.

1.3.5. So long as the Debenture Holder(s) continue to hold the Debentures, the Company agrees and undertakes to comply with all Applicable Laws including the Companies Act, 2013, all provisions of applicable SEBI regulations including SEBI (Debenture Trustee) Regulations, 1993 (as amended from time to time), SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2008 (as amended from time to time), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the debt listing agreement entered into with the stock exchanges (where the Debentures are listed/ proposed to be listed). This Deed is also subject to such guidelines as may be issued by SEBI, Government of India, such other statutory or regulatory authorities from time to time.

1.3.6. The Company hereby declares that the Company is in compliance with the provisions of the Foreign Account Tax Compliance Act ("FATCA") and the Company hereby undertakes to ensure the compliance of the provisions of the FATCA at all times during the currency of the Debentures. The Company agrees to provide the respective authorities with any documentation or information requested relating to self or beneficiary or related Tax entity to the extent required by the Debenture Trustee for meeting its compliances. The Company agrees that it will provide a copy of the documents provided to the Tax authorities to the Debenture Trustee for its records. Further, the Company shall indemnify and hold harmless the Debenture Trustee for any penal consequence arising due to non-compliance of the aforesaid provision by the Company.

1.3.7. The Company shall insure and keep insured up to the replacement value thereof or on such other basis as approved by the Trustee, the Secured Assets against fire, theft, lightning, explosion, earthquake, strike, lock out, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and other risk as may be specified by the Trustee and shall duly pay all premium and other sums payable for the purpose.

1.3.8. The Company shall pay and discharge all Taxes, rates, rents and governmental charges upon the Company or its assets under Applicable Laws.

1.3.9. The Company shall transfer unclaimed interest/dividend to “Investor Education and Protection Fund” as per Section 125 of the Companies Act 2013 and shall not forfeit unclaimed interest/dividend.

1.3.10. The Company shall invest or deposit of sum in respect of debentures maturing during the year ending on the 31st day of March of next year as per the provisions of Act read with rules made thereunder or any regulations or guidelines issued by SEBI, if applicable The Company shall intimate the trustee on or before the 30th day of April in each year in respect of investments or deposits made as per Rule 18(7)(b)(v) of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time.

1.3.11. The Company shall create and maintain a reserve to be called the “**Recovery Expense Fund**” as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Amendment Regulations, 2020, the SEBI REF Circular and any guidelines and regulations issued by SEBI, as applicable. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. The Company shall intimate the Trustee about creation and the form of such Recovery Expense Fund by the Company prior to the opening of the issue. The balance in the Recovery Expense Fund shall be refunded to the Company on repayment of Secured Obligations to the Debenture Holders for which a ‘No Objection Certificate (NOC)’ shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee(s) shall satisfy that there is no ‘default’ on any other listed debt securities of the Company before issuing the said NOC.

1.3.12. The Company hereby agrees and undertakes that, if during the currency of these presents, any further guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of Debenture Redemption Reserve and investment of the monies lying therein and/or Recovery Expense Fund, the Company shall duly abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Holder(s)/ Beneficial Owner(s) or the Trustee.

1.3.13. The Company shall take all steps for completion of the formalities for listing and commencement of trading at all the concerned stock exchange(s) in respect of the Debentures.

1.3.14. The Company shall ensure, and/or cause the Registrars to an issue and Share Transfer Agent to forward the details of Debenture Holder(s) to the Debenture Trustee at the time of allotment and thereafter by the seventh working day of every next month in order to enable Debenture Trustee to keep its records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default have occurred.

1.3.15. The Company hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations or to create a charge on the Secured Assets or there is a revision of rating assigned to the Debentures, the Trustee shall, be entitled to disclose the information to the Debenture Holder(s) and the general public by issuing a press release, placing the same on their websites and with the credit rating agencies.

1.3.16. The Company shall maintain a functional website containing correct and updated information as required by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other Applicable Laws.

1.3.17. The Company shall give an undertaking in the Shelf Placement Memorandum/Tranche Placement Memorandum / Prospectus / Offer Letter (as the case may be) that the Secured Assets are free from any encumbrances, and in cases

where such assets are already charged to secure a debt, the permission or consent, where required to create a second or pari-passu charge on the Secured Assets has been obtained by the Company from its existing charge holders.

1.3.18. The Company hereby irrevocably and unconditionally appoints the Trustee to be the lawful attorney of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts of obligations declared or imposed upon the Company by these presents or of giving to the Debenture Holder(s)/ Beneficial Owner(s) or to the Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustee or any Receiver appointed by them.

1.3.19. The Company shall pay all such stamp duty as applicable on the Debentures and execution of this Deed and shall pay all such stamp duty (including any additional stamp duty, if any), other duties, Taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, Taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand.

1.3.20. The Company undertakes that it shall:

a) at all times, obtain and maintain, or cause to be obtained and maintained, in full force and effect (or where appropriate, renew) all clearances/ authorizations required for the purposes of the Project / business and all transactions as contemplated by the Transaction Documents, non-procuring or non-renewal whereof shall have a Material Adverse Effect.

b) create all Security and execute all the Security Documents as may be required by the Trustee as per the terms hereof and shall ensure that all Transaction Documents, when executed, shall constitute its legal, valid and binding obligations under Applicable Law;

c) attend to the complaints received in respect of the Debentures expeditiously and satisfactorily.

d) if any of the Directors of the Company are added to any defaulter's list by any Governmental Authority, take immediate steps forthwith to remove such person from its Board.

e) duly cause these presents to be registered in all respects so as to comply with the provisions of the Act and also cause these presents to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any act, ordinance or regulation applicable in any part of India, within which any portion of the Secured Assets are or may be situated, by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents.

f) have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations:

(i) the Trustee shall, as the Trustee may deem appropriate and necessary, be entitled to disclose all or any:

- (1) information and data relating to the Company,
- (2) information or data relating to this Deed ;
- (3) default committed by the Company in discharge of the obligations under the Transaction Documents, to TransUnion CIBIL Limited ("CIBIL") and any other agency authorised in this behalf by RBI;

(ii) CIBIL and / or any other agency so authorised may use, process the

aforesaid information and data disclosed by the Trustee in the manner as deemed fit by them;

(iii) CIBIL and / or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to the Trustee, and other credit grantors or registered users, as may be specified by RBI in this behalf;

(iv) the Trustee and/or RBI will have an unqualified right to disclose or publish the details of the default and the name of the guarantor (including its directors) as the case may be, as defaulters, in such manner and through such medium as the Trustee or RBI in their absolute discretion may think fit;

1.3.21. The Company agrees that no immunity (if acquired) shall be claimed by it or on its behalf with respect to its assets in any proceedings in relation to its obligations under the Transaction Documents and shall waive any such right of immunity which it or its assets has or may acquire. The execution of this Deed constitutes, and the exercise of its rights and performance of and compliance with its obligations under this Deed will constitute, private and commercial acts done and performed for private and commercial purposes.

1.3.22. The Company declares and undertakes that it has obtained the necessary permissions as may be required, for entering into the Transaction Documents, and shall execute the same within the time frame prescribed under the relevant SEBI regulations and circulars and furthermore, shall submit such Transaction Documents to the stock exchange for uploading on its website (as applicable), within 5 (five) days of execution of the same.

1.4. **Information Covenants**

The Company shall provide the relevant information set out in the Sixth Schedule hereto, in the manner and within the time period stipulated therein.

1.5. **Negative Covenants**

1.5.1. The Company shall not, without prior intimation to the Debenture Trustee, make any change in the nature and conduct of its business (from what is being carried out as on the date hereof) other than the objects as set out in its Memorandum of Association.

1.5.2. The Company shall not, without the prior consent of the Debenture Trustee, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise encumber or charge or dispose the Secured Assets or any part thereof;

1.5.3. The Company shall not make any material modification to the structure of the Debentures in terms of coupon, conversion, Redemption, or otherwise without the prior approval of the stock exchange and such prior approval of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately.

1.5.4. The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default.

1.5.5. The Company shall not, without the prior consent of the Debenture Trustee, directly or indirectly contract, create, incur, assume or suffer to exist any indebtedness or borrowing arrangement, either secured or unsecured, with any other

bank, financial institution, company or otherwise or accept deposits, except as otherwise permitted herein.

1.5.6. The Company shall not create further charge or encumbrance of the Secured Assets other than the Permitted Security Interest, without prior approval of the Trustee and the Debenture Holder(s) /Beneficial Owners.

1.5.7. The Company shall not, without the prior consent of the Debenture Trustee, abandon or agree to abandon its [Project/ business].

1.5.8. The Company shall not, without the prior consent of the Debenture Trustee, carry out any amendments or alterations to the memorandum of association and articles of association, which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/impact the rights/interest of the Debenture Holders.

1.5.9. The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

1.6. ENFORCEMENT AND REALISATION RELATED COVENANTS

1.6.1 Trust of The Secured Assets

The Secured Assets shall be and remain security to the Trustee for the due Repayment of the Secured Obligations, including the principal amount of the Debentures, together with redemption premium, if any, interest, Trustee's remuneration and all other monies payable under the Debentures and the Trustee shall permit the Company, until the happening of one or more of the events upon the happening of which the Security shall become enforceable, to hold and enjoy the Secured Assets and to carry on therein and therewith the business authorised by the Memorandum of Association of the Company and upon the happening of any such event, the Trustee may (but subject to the provisions as applicable) in their discretion, and upon request in writing of the Majority Debenture Holders, enter upon or take possession of and/or receive the rents, profits and income of the Secured Assets or any of them or any part thereof and may at their discretion and shall upon request of the Debenture Holder(s)/Beneficial Owner(s) as mentioned above (subject to the provisions of section 69 of the Transfer of Property Act, 1882 in case of immovable properties) sell, call in, collect and convert into monies the same or any part thereof with full power to sell any of the Secured Assets either by public auction or private contract and either for a lump sum or a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or as to the removal of any property which may be sold separately or otherwise as the Trustee shall think proper and with full power to buy in or rescind or vary any contract for sale of the Secured Assets or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit.

PROVIDED ALWAYS that before making any such entry or taking possession as aforesaid or making any sale, calling in, collection or conversion under the aforesaid power in that behalf (hereinafter referred to as the "**Power of Sale**"), the Trustee shall give written notice of their intention to the Company. But the Trustee (acting on the instructions of the Special Majority of Debenture Holders) shall not be bound to give any such notice in any case where they shall certify, either before or after entry, that in their opinion further delay would imperil the interests of the Debenture Holder(s)/Beneficial Owner(s), or in any case where an order or

resolution for the winding up of the Company shall have been made or passed. The Trustee shall not exercise the Power of Sale if in the case of such power arising by reason of any default in payment of any monies due in respect of the principal together with redemption premium, if any, or interest, the Company shall prove to the Trustee the payment of monies so in arrears within three months next after the notice has been given or if in the case of such power arising by reason of any provision as herein stated the Company shall, within 7 (seven) days of the receipt of a notice, remove, discharge or pay out any distress, execution or process or fully perform the covenants, conditions or provisions breached, if capable of being performed, or make good the breach thereof, or pay adequate compensation for such breach to the satisfaction of the Trustee and any compensation so paid to the Trustee shall be deemed to be part of the Secured Assets.

All the powers and provisions contained in or implied by these presents shall, notwithstanding anything contained herein or arising by virtue thereof or except in consultation with the Trustee, be subject to and *pari passu* with those of the Existing Encumbrances and the same shall not be exercised or enforced by the Trustee hereunder so as to in anyway prejudice the rights and interests of the existing chargeholders under their existing securities and except with the prior approval and consent of the existing chargeholders.

1.6.2 Trust of Proceeds of Sale/ Realisation out of The Secured Assets

The Trustee shall hold UPON TRUST the monies, received by them or the Receiver in respect of the Secured Assets or any part thereof arising out of :-

- (a) any sale, calling in, collection or conversion under the Power of Sale;
- (b) income, rent or profits arising in respect of the Secured Assets;
- (c) policy or policies of insurance;
- (d) compensation money in respect of any acquisition and requisition or nationalisation or take-over of the management of the Company;
- (e) any other realisation whatsoever;

and they shall, in the first place, by and out of the said monies, reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, appointment of Receiver, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their, and the Receiver's remuneration as herein provided, and shall apply the residue of the said monies subject to the rights of the mortgagee as may be provided in a separate arrangement to be entered into between them and the Trustee:

FIRSTLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), *pari passu*, of all arrears of interest including compound interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Debentures held by them;

SECONDLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), *pari passu*, of all principal amounts together with redemption premium, if any, owing on the Debentures held by them and whether the said principal amounts together with redemption premium, if any, shall or shall not then be due and payable; and

THIRDLY in or towards payment of the surplus (if any) of such monies to the person or persons entitled thereto:

Provided that, if the Trustee acting on the instructions of the Majority Debenture Holder(s), is of the opinion that it is expedient to do so, payments may be made on account of principal together with redemption premium, if any, before the whole or part of the interest due on the Debentures has been paid off, but such alteration in the order of payment of principal together with redemption premium, if any, and interest herein prescribed shall not prejudice the right of the Debenture

Holder(s)/Beneficial Owner(s) to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which sum ultimately realised from the security may be sufficient to pay.

The Trustee shall not be affected by any notice, express or implied, of the right, title or claim of any Person to the said monies other than the Debenture Holder(s).

1.6.3 Power to Accumulate Proceeds

If, the amount of the monies at any time apportionable under Clause 1.6.2 hereof shall be less than 10% (ten percent) of the nominal amount of the Debentures then outstanding, the Trustee may, at their discretion, invest such monies in any one of the Authorised Investments herein authorised with power, from time to time, at its discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other fund for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay 10% (ten per cent) of the Debentures then outstanding and the accumulations and funds shall be applied in the manner aforesaid. Provided that the Trustee shall not be liable for any loss which may be occasioned by any investment or variation thereof made by them pursuant to this Clause.

1.6.4 Investment of Capital Monies

Subject as aforesaid, the Trustee shall invest the net capital monies referred to in Clauses 1.6.2 and 1.6.3 above, upon some or one of the Authorised Investments or place the same upon deposit or in current account in the name of the Trustee with any scheduled bank or banks with power from time to time to vary such investments and with power from time to time at their discretion to resort to any such investments for any of the purposes for which such proceeds are under these presents authorised to be expended. Provided however that any such monies including the Authorised Investments shall be held by the Trustee solely in trust for the benefit of the Debenture Holder(s).

1.6.5 Authorised Investments

Any monies which are under the trust or powers herein contained ought to be invested by the Trustee may be invested in the name of the Trustee in any of the investments by law authorised for investment of Trust monies for the time being in force in India (“**Authorised Investments**”) with power to vary and transpose such investments and in so far as the same shall not be invested shall be placed on deposit in the name of the Trustee in scheduled bank or banks.

1.6.6 Notice Before Payment

The Trustee shall give not less than 14 days’ notice to the Debenture Holder(s)/Beneficial Owners(s) under Clauses 1.6.2 and 1.6.3 hereof and after the day so fixed, the Debenture Holder(s)/Beneficial Owners(s) of each outstanding Debenture shall be entitled to interest on the balance only (if any) of the principal moneys due on such Debentures held by them after deducting the amount (if any) payable in respect of the principal thereof on the day so fixed.

1.6.7 Memorandum of Part Satisfaction

Upon any payment under 1.6.2 and 1.6.3 above, not amounting to complete payment of all principal amounts and interest due thereon, the Debentures in respect of which payment is made shall be produced to the Trustee who shall cause a memorandum of the amount and date of payment to be endorsed thereon. The Trustee may, in their discretion, dispense with the production and endorsement of

Debentures as aforesaid, in any special case upon such indemnity as the Trustee may think fit.

1.6.8 Receipt of Debenture Holder(s)

The receipt of each holder/owner of the Debentures (s) or if there be more than one holder(s)/owner(s) of any such Debentures, then the receipt of any one of such holder(s)/owner(s) or of the survivors or survivor for the principal monies and interest payable in respect of each of such Debenture shall be a good discharge to the Trustee.

1.6.9 Purchasers and Persons dealing with Trustee Not Put on enquiry

No purchaser, mortgagor, mortgagee or other person dealing with the Trustee or any Receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the Security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the Trustee or Receiver and in the absence of *mala fides* on the part of such purchaser, mortgagor, mortgagee or other person such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

1.6.10 Receipt of Trustee to be Effectual Discharge

Upon any such sale, calling in collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained the receipt of the Trustee for the purchase money of any of the Secured Assets sold and for any other monies paid otherwise howsoever to them shall effectually discharge the purchaser or purchasers or person paying the same there from and from being concerned to see to the application or being answerable for the loss or misapplication or non-application thereof.

1.6.11 Application To Court

The Trustee may at any time after the security hereby constituted becomes enforceable apply to the Court for an order that the powers and trusts hereof be exercised and carried into execution under directions of the Court and for the appointment of a Receiver(s) and manager of the Secured Assets or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the Trustee shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the Debenture Holder(s)/Beneficial Owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.

INFORMATION COVENANTS

1. The Company shall at the end of every calendar quarter within 45 days of the respective quarter or within 7 days of the relevant Board meetingⁱ whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the followingⁱⁱ:

- a) Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder (s)/Beneficial Owner(s);
- b) Details of interest due but unpaid, if any, and reasons for the same;
- c) Details of payment of interest made on the Debentures in the immediately preceding calendar quarter;
- d) The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and
- e) Statement that the Security is sufficient to discharge the claims of the Debenture Holder(s) as and when they become due.

The Company shall also submit a certificate from a statutory auditor for every second fiscal quarter and fourth fiscal quarter certifying the value of book debts/receivables and maintenance of the Security Coverage Ratio, as per the terms of Information Memorandum and this Deed including compliance with the covenants of the Information Memorandum and any other covenants in respect of listed non-convertible debt securities in the manner as may be specified by SEBI from time to time.

2. The Company shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:

- a) at the end of each year, a certificate from the statutory auditors with respect to the use of the proceeds raised through the issue of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized;
- b) by no later than 30 (thirty) days from the Deemed Date of Allotment or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Company confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the timelines prescribed under the Applicable Laws;
- c) at the end of every year from the Deemed Date of Allotment, a certificate from a practicing chartered accountant/registered valuer confirming the value of the Secured Assets, and a half-yearly certificate alongwith half yearly results from the statutory auditor regarding maintenance of hundred percent asset cover or asset cover as per the terms of Shelf Placement Memorandum/Tranche Placement Memorandum and/or this Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results;
- d) upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a failure to create charge on the Secured Assets, or there is a breach of any covenants, terms or conditions by the Company in relation to the Debentures under any Transaction Documents;
- e) a copy of all notices, resolutions and circulars relating to:
 - (i) new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities;

(ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;

f) intimation to the Debenture Trustee (alongwith the stock exchange), if any of the following proposals being placed before the Board:

(iii) any alteration in the form or nature or rights or privileges of the Debentures;

(iv) any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or

(v) any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered.

3. The Company shall promptly inform the Debenture Trustee the status of payment (whether in part or full) of Debentures within 1 (one) working day of the payment / Redemption. While intimating the Debenture Trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository.

4. Promptly within 2 (two) days of the interest or principal or both becoming due, the Company shall submit a certificate to the stock exchange(s) alongwith the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website.

5. If default in payment of Debentures is continuing, the Company shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of April of each financial year, alongwith the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Company shall also intimate the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of such development. The aforementioned intimations shall be submitted until the Secured Obligations are fully discharged or satisfied. The Company shall provide an undertaking to the Stock Exchange(s) on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and SEBI (Issue and listing of Non Convertible securities) Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.

6. The Company shall promptly inform the Debenture Trustee the following details (if any):

- a) corporate debt restructuring,
- b) fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and / or
- c) reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company.

7. The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information alongwith the Debenture Trustee's letter of noting of the said information:

- a) Credit rating of the Debentures or change in credit rating;
- b) Nature, extent of the Security and security cover available for the Debentures;

- c) Debt-equity ratio;
- d) Previous due date for the payment of interest/principal and whether the same has been paid or not;
- e) Next due date for the payment of interest/principal;
- f) Debt service coverage ratio;
- g) Interest service coverage ratio;
- h) Net worth;
- i) Net profit after tax;
- j) Earnings per share;
- k) A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures.

8. The Company shall notify the Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

9. The Company shall furnish to the Trustee details of all grievances received from the Debenture Holder(s)/ Beneficial Owner(s) and the steps taken by the Company to redress the same. At the request of any Debenture Holder(s)/ Beneficial Owner(s), the Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holder(s)/ Beneficial Owner(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s).

10. To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:

Reports/Certificates	Timelines for submission requirements by Company to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
Asset cover certificate	Quarterly basis within 30 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law
A statement of value of pledged securities		
A statement of value for Debt Service Reserve Account or any other form of security offered		
Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 30 days from end of each half-year or within such timelines as prescribed under	Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law.

	Applicable Law	
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)	Annual basis within 45 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.
Valuation report and title search report for the immovable/movable assets, as applicable		

11. The Company shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

12. The Company shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company.

13. The Company shall promptly supply certified copies to the Trustee of any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents.

14. The Company shall supply to the Debenture Trustee a copy of annual report

15. The Company shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests), half yearly financial results within forty five (45) days from the end of the each half year.

16. In case of initiation of forensic audit (by whatever name called) in respect of the Company, the Company shall provide following information and make requisite disclosures to the stock exchanges:

(i) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and

(ii) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.

17. The Company shall promptly provide or inform the Debenture Trustee the details of all orders, directions, notices, of any court / Tribunal affecting or likely to affect the Secured Assets.

18. The Company shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the time lines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law.

19. The Company shall furnish the following to the Debenture Trustee:

- (a) its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year;
- (b) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law;
- (c) a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses;
- (d) such information in relation to the Secured Assets that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the Security Coverage Ratio and shall also submit to the Debenture Trustee a certificate from the director/ managing director of the Company on half-yearly basis, certifying the value of the identified receivables as agreed in the Transaction Documents;
- (e) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230.

20. The Company shall:

- a) supply to the Trustee (with sufficient copies for all Debenture Holder(s) if the Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched;
- b) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of any event which may have a Material Adverse Effect;
- c) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Company to abandon the business;
- d) at the end of every financial year, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), a certificate from a statutory auditor confirming the due maintenance of a Debenture Redemption Reserve as per the provisions of Applicable Law;
- e) promptly, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Trustee, accompanied (where relevant) by a specimen signature of each new signatory;
- f) forthwith give, notice in writing to the Trustee of commencement of any proceedings directly affecting the Secured Assets.

	Issuer shall adhere to following covenants ; • To meet the Minimum Security Cover requirement – Minimum Security cover of 1x shall be maintained • To maintain total Capital Adequacy above 15% • To maintain Gross NPA of the Issuer below 9.5% • To maintain Net Stage 3 of the Issuer below 8% • Assets and liability management as per the prevalent RBI regulations. Covenants to be tested on quarterly basis. Noncompliance of information/ reporting covenants for the financial covenants for more than 45 days (cure period) from the date of reporting such event, shall be treated as an Event of Default. Other than as disclosed in the Shelf Placement Memorandum, there are no other covenants.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Shelf Placement Memorandum.	The principal amount of the Debentures together with Coupon thereon, subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by a Specific and exclusive charge on the receivables of Secured Assets of the Company that are current and standard (excluding receivables specifically and exclusively charged in favor of certain existing charge holders), to be created in favor of the Debenture Trustee, and to be specifically set out and described in the Debenture Trust Deed cum Deed of Hypothecation and the Security Documents, such that a security cover of 100% of the outstanding principal amounts of the Debentures and coupon thereon is maintained at all time until the Maturity Date. The value of receivables to be determined based on the net exposure outstanding and be reviewed on a quarterly basis to maintain minimum cover of 100%. The Company undertakes to maintain Minimum Security Cover of 1 time, to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs. Non-Maintenance of minimum-security cover as mentioned above will attract 2% p.a. penalty over and above the coupon rate as specified in the term sheet for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed one month from the day such cover falls below the required cover. The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the maintenance of Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee. The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation before making listing application to stock exchange. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription (i.e. redemption at par) along with other monies/ accrued interest due in respect thereof or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.
Transaction Documents	1. Debenture Trustee Agreement; 2. Information Memorandum; 3. Debenture Trust Deed, 4. Security Document, if any Such other documents as agreed between the Issuer and the Debenture Trustee.
Condition Precedent to Disbursement	The Issuer shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture prior to the Payin Date:

	All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed Receipt of the Rating Rationale from Credit Rating Agency, confirming the Target Rating; Receipt of the BSE in-principal approval letter on or prior to the Deemed Date of Allotment; Execution of the Debenture Trustee Agreement Due diligence certificate from Debenture Trustee confirming “Issuer has obtained the permissions / consents necessary for creating security on the said property(ies)” Others as finalised during documentation.
Condition Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/activities Are completed as per the time frame stipulated in the Debenture Trust Deed: The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (days) Business Days of the Deemed Date Of Allotment Return of Allotment in Form PAS-3 to be filed within 15 (Fifteen) days from the Deemed date of allotment; Issuer shall obtain final listing approval from BSE within 4 trading days from the date of closure of issue The Issuer shall ensure compliance with SEBI Regulations / Companies Act 2013 (as applicable) for issuance of NCDs; Within the timeline set under applicable law or the timelines as agreed between the Debenture Trustee and the Company, whichever is earlier, execute the Debenture Trust Deed cum Deed of Hypothecation, and any other documents as may be required by the Debenture Trustee. Other conditions as detailed in the Transaction Documents.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents: If the Company defaults in making repayment of the Coupon and/or the Redemption Amount(s) on the respective Due Date(s) in full or in part, (whether at scheduled maturity, by acceleration, as a result of Debenture Holder(s) exercising the Optional Accelerated Redemption or otherwise). Default shall have occurred in the performance of any material covenants (including Financial, Negative & maintenance of minimum Security Cover covenants) conditions or agreements on the part of the Company other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/Beneficial Owner(s)/ Debenture Trustee <u>Security is in jeopardy</u> When the Company creates or attempts to create any charge on the Secured Assets or any part thereof, other than the Permitted Security Interest, without the prior approval of the Trustees/Debenture Holder(s) or the Security Coverage Ratio is not maintained by the Company; subject to non-maintenance of asset cover clause as mentioned below The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture

Trustee / Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer

The Company has taken or suffered to be taken any action for re-organization of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;

Promoters or key management personnel of the Issuer being declared wilful defaulter

The promoter's and/or the directors of the Issuer are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter's and/or director, including any accusations, charges and/or convictions of any offence relating to bribery

There shall have occurred Material Adverse Effect and such Material Effect has not been remedied or rectified within period of 30 (Thirty) calendar days.

Any corporate action, legal proceedings or other procedure or step is taken in relation the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;

composition, compromise, assignment or arrangement with any creditor of the Issuer; the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer, enforcement of any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction

any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above.

Erosion of 50% or more of the Issuer's net worth from the Net-worth on Deemed Date of Allotment';

The Shelf Placement Memorandum/Tranche Placement Memorandum or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer.

It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable.

The Issuer repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents.

Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets of the Company or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations.

The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof. The Listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holder(s)

	The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. Change in Promoter and/or Management Control without prior written consent from the Debenture Holders Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not stayed, quashed or dismissed within 15 (Fifteen) days Any reference to Insolvency and Bankruptcy Code /by any financial creditor(s)/other entities, Cross default: An event of default shall arise if the Issuer defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created; or defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or due to any default or an event of default, any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity hereof. Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the majority Debenture Holder/s may deem fit. The details with respect to same shall be specifically mentioned in the Debenture Trust Deed.
Creation of recovery expense fund	The Issuer shall create recovery expense fund in the manner as may be specified by SEBI from time to time and same shall be informed to the Debenture Trustee. The recovery expense fund shall be utilised for the activities as may be permitted by the applicable regulations
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	The Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof. 4.2 Consequences of Events of Default Upon the occurrence of any Event of Default and the expiry of cure periods where applicable, all outstanding amounts on the debentures shall stand accelerated and become payable forthwith

After the occurrence of an Event of Default under Clause 4.1 above, and the expiry of cure periods (if any) the Debenture Trustee shall send a notice to the Debenture Holder(s) (along with a copy to the Company) within 3 (three) days of the Event of Default by registered post / acknowledgement due or speed post / acknowledgement due or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained.

4.2.2 The notice shall contain the following:

- (a) request for negative consent for proceeding with the enforcement of security;
- (b) request for positive consent for signing of the ICA;
- (c) the time period within which the consent needs to be provided by the Debenture Holder(s), viz. consent to be given within 15 days from the date of notice or such revised timelines as prescribed under Applicable Law; and
- (d) the date of meeting to be convened (which shall be within 30 days of the occurrence of Event of Default).

Provided that in case the Event of Default is cured between the date of notice and the date of meeting, then the convening of such a meeting may be dispensed with.

[Note: It is clarified that in case of Public Issue, the notice sent by the Debenture Trustee(s) pursuant to Clause 4.2.1 above shall not contain the consent as per sub-clause 4.2.2 (a) and the requirement to convene a meeting for enforcement of security, as per sub-clause 4.2.2(d) above.]

4.2.3 The Debenture Trustee shall take necessary action of either enforcing the Security or entering into the ICA or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a representative committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions [which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s), from time to time.

The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws.

4.2.4 The Trustee shall also have the following rights (notwithstanding anything in these presents to the contrary):

- (a) to enter upon and take possession of the Secured Assets as per the provisions of this Deed;
- (b) to enforce any Security created pursuant to the Security Documents in accordance with the terms thereof, as may be set out therein, towards Repayment of the Secured Obligations;
- (c) to transfer the Secured Assets of the Company by way of lease/sub-lease or license or sale upon occurrence of Event of Default in accordance with the terms hereof;
- (d) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company, in the manner more particularly set out in Clause 10.22 of this Deed;
- (e) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever

	applicable), sale without intervention of Court under Section 69 of Transfer of Property Act, 1882 or any other Applicable Law; (f) to levy default interest on overdue amounts as per the terms of issue; and (g) to exercise such other rights as the Debenture Holder(s) may deem fit under Applicable Law. 4.2.5 The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. 4.2.6 All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred in connection with:- (a) preservation of the Secured Assets (whether then or thereafter existing); and (b) collection of amounts due under this Deed, shall be payable by the Company. Without prejudice to the obligation of the Trustee to monitor the Security Coverage Ratio and the Security in respect of the Debentures and to take necessary enforcement actions in accordance with the Transaction Documents, it is hereby clarified that the Trustee shall not be liable in any manner to guarantee the recovery of the entire outstanding amounts in relation to the Debentures.				
EBP Process	Issue and Payment Procedure Bidding Process All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time. Manner of settlement Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on ‘Payment Mechanism’ of this Disclosure Document. Provisional or Final Allocation Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of ` 10,00,000 (Rupees Ten Lakhs Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform. Payment Mechanism Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer. The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL). List of Designated Banks is as under: <table><tr><td></td><td>ICICI BANK</td><td>YES BANK</td><td>HDFC BANK</td></tr></table>		ICICI BANK	YES BANK	HDFC BANK
	ICICI BANK	YES BANK	HDFC BANK		

	Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
	Account Number	ICCLEB	ICCLEB	ICCLEB
	IFSC Code	ICIC0000106	YESB0CMSNO	HDFC0000060
	Mode	RTGS	RTGS	RTGS
	Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“Pay-in Time”). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned. Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors. • Settlement Process Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder. The Company shall give the instruction to the Registrar for crediting the Debentures by 2.00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 2.00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).			
Method of Allotment	Uniform Yield			
Bid Timing	As per Addendum to Shelf Placement Memorandum			
Settlement cycle	T+1			
Manner of Bidding	Open			
Settlement Through	ICCL			
Terms and conditions of debenture trustee agreement including fees charged by Debenture Trustees(s). details of security to be created	Please refer to Annexure G Debenture Trustee Agreement has been executed as per required regulation on February 15, 2022 i.e. before opening of the issue. The Debenture Trustee Fees is levied by the Trustee vide their communication dated April 5, 2021 as agreed by both the parties.			
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.			
Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed mutually by the Investor and Issuer, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Chennai. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.			

Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include: Trustee fees Rating fees Stamping and registration costs in relation to all Transaction Documents Any other reasonable transaction related expense incurred by the Debenture Holders.
Taxes, Duties, Costs and Expenses	Relevant taxes, duties and levies are to be borne by the Issuer. The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS)	Name of the Bank - Axis Bank Ltd Bank Branch – R.K. Salai Branch, Mylapore, Chennai Account Number – 913020045382436 IFSC Code – UTIB0000006
Documents	Copy of Board Resolution for NCD. Copy of Shelf Placement Memorandum/Tranche Placement Memorandum
Trustees	Catalyst Trusteeship Limited
Compliance	Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Escrow Account	In the event SCUF Rating Downgrades to A+ / Negative, the Company agrees to fund NCD redemption in the Escrow account in favour of Debenture Trustee (on behalf of the debenture holder/s) within 17 (Seventeen) calendar days from the date of such downgrade. This escrow account to be opened only at two notch rating downgrade.

Note :

1. If there is any change in Coupon Rate pursuant to any event including elapse of certain time period or downgrade in rating then such new Coupon Rate and events which lead to such change shall be disclosed
2. The procedure used to decide the dates on which the payment can be made and adjusting payment dates in response to days when payment can't be made due to any reason like sudden bank holiday etc, should be laid down
3. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
4. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
5. Debt Securities shall be considered as secured only if the charged asset is registered with sub-registrar or Registrar of Companies or CERSAI or Depository etc as applicable or is independently verifiable by the Debenture Trustee

XXII. DISCLOSURES PERTAINING TO WILFUL DEFAULT

- 1) Name of the bank declaring the entity as a wilful defaulter – **Not applicable**
- 2) The year in which the entity is declared as a wilful defaulter – **Not applicable**
- 3) Outstanding amount when the entity is declared as a wilful defaulter – **Not applicable**

- 4) Name of the entity declared as a wilful defaulter – **Not applicable**
- 5) Steps taken, if any, for the removal from the list of wilful defaulters – **Not applicable**
- 6) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions – **Not applicable**
- 7) Any other disclosure as specified by the Board – **Not applicable**

XXIII. The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross referencing to the pages. – **Not applicable**

XXIV. Process of Due Diligence (DD) to be carried out by the Debenture Trustee:

DD will be carried out as per DT regulations and circulars issued by SEBI from time to time. This would broadly include the following:

- Chartered Accountant (CA) appointed by DT will conduct independent DD as per scope provided, regarding Security offered by the Issuer.
- CA will ascertain, verify, and ensure that the asset offered as security by the Issuer is free from any encumbrances or necessary permission / consent / NOC has been obtained from all existing charge holders.
- CA will conduct independent DD on the basis of data / information provided by the Issuer.
- CA will, periodical, undertake DD as envisaged in SEBI circulars depending on the nature of security.
- On basis of the CA's report / finding DD certificate will be issued by DT and will be filed with relevant Stock Exchanges.
- Disclaimers would be incorporated to the effect that:
 - a. While the Debt Security is secured as per terms of the Offer Document / Information Memorandum (IM) and charge is held in favour of the DT, the extent of recovery would depend upon realization of asset value and the DT in no way guarantees / assures full recovery / partial of either principal or interest.
 - b. DD conducted is premised on data / information made available to the DT appointed - agency and there is no onus of responsibility on DT or its appointed agency for any acts of omission / commission on the part of the Issuer.

XXV. DECLARATION

I/ We, the undersigned, hereby declare that.

- a) the company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder and Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations 2021 as amended from time to time.
- b) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of NCDs, if applicable, is guaranteed by the Central Government.
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Shelf Placement Memorandum.
- d) Shelf Placement Memorandum does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Shelf Placement Memorandum also does not contain any false or misleading statement.

For Shriram City Union Finance Limited

Authorised Signatory

Place: Chennai

Date: February 15, 2022



SHRIRAM CITY UNION FINANCE LIMITED
Corporate Identity Number (CIN) – L65191TN1986PLC012840,
PAN – AAACS7703H

Date and Place of Incorporation – Chennai, March 27, 1986

RBI registration number – 07-00458

(A Public Limited Company Incorporated under the Companies Act, 1956)

Registered Office: 123, Angappa Naicken Street, Chennai Tamil Nadu 600 001

Corporate Office: No.144, Santhome High Road, Mylapore, Chennai - 600 004.

Tel: (044) 43925300 ; Fax: (044) 4392 5430; E-mail: sect@shriramcity.in

Website: www.shriramcity.in

TRANCHE PLACEMENT MEMORANDUM /ISSUE ADDENDUM ISSUED IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021 DATED AUGUST 9, 2021, AS AMENDED FROM TIME TO TIME AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME AND TO THE SHELF PLACEMENT MEMORANDUM DATED SEPTEMBER 15, 2021 (“SPM”) IN RESPECT OF THE PRIVATE PLACEMENT OF REDEEMABLE SECURED RATED LISTED NON-CONVERTIBLE DEBENTURES (NCDS) OF FACE VALUE OF TO ₹ 10,00,000 EACH FOR AN AMOUNT OF ₹ 100 CRORES (“BASE ISSUE SIZE”) WITH GREEN SHOE OPTION UPTO ₹ 370 CRORES AGGREGATING UPTO 4700 NCDS AMOUNTING UPTO ₹ 470 CRORES IN ONE OR MORE TRANCHEs AS FULLY PAID-UP

PRIVATE PLACEMENT BY SHRIRAM CITY UNION FINANCE LIMITED (“COMPANY OR THE ISSUER”) OF REDEEMABLE SECURED NON-CONVERTIBLE DEBENTURES (SNCDS) OF FACE VALUE OF ₹ 10,00,000 EACH FOR AN AMOUNT OF ₹ 150 CRORES (“BASE ISSUE SIZE”) WITH GREEN SHOE OPTION UPTO ₹ 500 CRORES AGGREGATING UP TO 6500 NCDS AMOUNTING TO ₹ 650 CRORES IN ONE OR MORE TRANCHEs AS FULLY PAID-UP (“ISSUE”) UNDER THE TERMS OF THE SHELF DISCLOSURE DOCUMENT READ WITH THIS ISSUE ADDENDUM

This Tranche Placement Memorandum/ Issue Addendum (“**Issue Addendum**”) is issued in terms of and pursuant to the Shelf Placement Memorandum dated February 14, 2022. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This **Issue Addendum** must be read in conjunction with the Shelf Disclosure Document and the Private Placement Offer cum Application Letter.

This Issue Addendum contains details of this Series and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged. In case of any inconsistency between the terms of this **Issue Addendum** and the Shelf Placement Memorandum and/or the terms of this **Issue Addendum** and/or any other Transaction Document, the terms as set out in this **Issue Addendum** shall prevail.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf Placement Memorandum.

This Issue Addendum is dated February 15, 2022

ISSUE ADDENDUM - I

Security Name	7.50% Secured Senior Rated Listed Redeemable Non-Convertible Debentures
Issuer	Shriram City Union Finance Limited (SCUF/Issuer/ Company)
Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As mentioned in the Shelf Placement Memorandum under captioned “Eligible Investor”
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	On the Wholesale Debt Market(WDM) segment and Capital Market Segment of M/s BSE Limited Delay in Listing: In case of delay in listing of the debt securities beyond 4 (Four) trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 (Four) trading days from the date of closure of issue till the listing of such debt securities to the investor.
Rating of Instrument	“CRISIL AA” by CRISIL Ratings Limited and “IND AA/Outlook Positive” by India Ratings & Research Private Limited
Issue Size	Rs. 470 Crores
Base Issue :	Rs. 100 Crores
Green Shoe :	Rs. 370 Crores
Option to retain oversubscription	NA
Objects & Details of the utilization of the Proceeds	The Issue proceeds will be utilized to augment medium to long-term resources of the Company and for on-lending purposes The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the ‘Exclusion List’ (as such term shall be defined under the Transaction Documents) or investment in the real estate sector. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines. No loan shall be given to group company(ies) from the proceeds of the issue.
Coupon	7.50% P.A. Payable yearly and on Redemption
Step Up / Step Down Coupon Rate	If the rating of the debentures from either of the Rating Agencies is downgraded below the existing rating the Coupon Spread shall be increased by 0.25% each downgrade of 1 (One) notch and such increased

	rate of coupon will shall be applicable on the outstanding principal amount from the date of such downgrade. In the event rating of the Issuer is restored to the rating prior to the downgrade event, the applicable Coupon Spread shall be reduced by 0.25%. The decreased rate of interest in accordance with this provision cannot in any case be lower the interest rate fixed at the time of Issuance. In case of Multiple Ratings for the said issue, lowest rating shall be considered for Step -up.
Coupon Payment Frequency	The Coupon shall be payable on Yearly & Maturity subject to Business Day Convention
Coupon Payment Dates	The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption Date subject to Business Day Convention as mentioned below: February 22, 2023 May 22, 2023
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Days Count Basis	Actual / Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case of leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period. (SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021)
Interest Application Money	Not Applicable
Default Interest Rate	Security Creation (where applicable): In case of delay in execution of Debenture Trust Deed cum Deed of Hypothecation and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor. Default in Payment and other Events of Defaults: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate will be payable by the Company for the defaulting period. In case issuer defaults other events of defaults as specified in the Transaction documents. The Issuer agrees to pay additional interest of at least @ 2%. over the Coupon Rate for the defaulting period. Delay in Listing: In case of delay in listing of the debt securities beyond 4 trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 trading days from the date of closure of the Issue till the listing of such debt securities to the investor.
Tenor	15 Months from deemed date of allotment

Redemption Date	May 22, 2023
Redemption Amount	Rs. 10,00,000/- per NCD.
Redemption premium / discount	NA
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Discount at which NCD is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	NA
Put Option Price	NA
Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Minimum Application and in multiples of NCD thereafter	10 Debenture of Rs.10,00,000 each and in multiples of 1 Debenture thereafter
Issue Timing	10.00 AM to 11.00 AM
Issue Opening Date	February 21, 2022
Issue Closing Date	February 21, 2022
Date of earliest closing of the issue, if any	Not applicable
Pay in Date	February 22, 2022
Deemed Date of Allotment	February 22, 2022
Issuance mode of the instrument	Demat Form
Trading mode of the instrument	Demat Form
Settlement mode of the instrument	RTGS / Fund Transfer
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Disclosure of interest / redemption dates	Interest Payment Dates: February 22, 2023 May 22, 2023 Redemption Date: May 22, 2023
Business Convention Day	If any interest payment date fall on a non-business day, the payment may be made on the following working day without liability for making payment of interest for the delayed period. If any principal payment date falls on a non-business, Principal will be payable on the previous working day along with

	interest up to date, Working days shall be all days on which money market is functioning in Mumbai excluding Saturday & Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Coupon payment convention will be as per SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Record date	15 Calendar Days prior to the relevant event
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Covenant to Pay Principal and Interest: 1.1.1 The Company covenants with the Trustee that it shall pay to the Debenture Holder(s)/Beneficial Owner(s) the principal amount of the Debentures together with redemption premium, if any, on the Redemption Dates and shall also pay interest (inclusive of penal interest where applicable) on the Debentures in accordance with Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum. Provided that if so called upon by the Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s)/Beneficial Owner(s). Such payments shall be passed on to the Debenture Holder(s)/Beneficial Owner(s), subject to the appropriation in the order of preference mentioned in Clause 10.17 of this Deed. 1.1.2 The Company shall, at all times until the Secured Obligations have been duly discharged, maintain a bank account no. 913020045382436 with Axis Bank Limited, ("Account Bank") from which it proposes to pay the redemption amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details. 1.1.3 The Company further acknowledges, agrees, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI regulations and as per company letter dated 2nd Dec 2020 countersigned by the Account Bank Further, in case of change of Account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter and duly accepted consent letter from the successor / new account bank. 1.1.4 The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holder(s) pursuant to the terms of this Deed.

INTEREST

The Debenture Holder(s)/Beneficial Owners(s) shall be paid interest in accordance with the provisions under Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum.

Interest and all other charges shall accrue from day to day and shall be computed on the basis of actual number of days elapsed, in a year of 365 days year or 366 days (in case of leap year), as the case may be. The interest for the last broken period shall be payable at the time of Redemption of said Debentures.

Any payments to be made to the Debenture Holder(s)/Beneficial Owner(s), including payment of interest, payment upon Redemption, shall be made by the Company using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) or any other permitted electronic method as offered by Debenture Holder(s) / Beneficial Owner(s) into such bank account of a Debenture Holder/Beneficial Owner as may be notified to the Company by such Debenture Holder/Beneficial Owner or the Trustee at the time of applying to the Debentures or as may be notified to the Trustee, subsequently through a valid communication channel.

1.3. General Undertakings / Obligations

1.3.1. The Company shall as required by Section 88 of the Act, keep at its registered office / corporate office a Register of the Debenture Holder(s) holding Debentures, in physical / electronic form showing (a) the name and address and the occupation, if any, of each holder, (b) the amount of the Debentures held by each holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the Register as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof.

The Debenture Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in Section 94 of the Act, be entitled to inspect the said Register and to take copies of or extracts from the same or any part thereof during usual business hours. The Register may be closed by the Company at such time and for such periods as it may think fit in accordance with the provisions of the Act after giving not less than 7 days' previous notice or such notice as prescribed under Applicable Law by advertisement in some newspaper circulating in the district in which the Company's registered office is situate. No transfer will be registered during such period when the register of Debenture Holder(s) remains closed.

1.3.2. The Company shall request the Depository to provide a list of Beneficial Owner(s) showing (a) the name and address and the occupation,

if any, of each Debenture Holder, (b) the amount of the Debentures held by each Debenture Holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the list as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof, as at the end of day 1 day prior to the start of the book closure period or at the Record Date, as the case may be. This shall be the list which shall be considered for payment of interest and Redemption of Debentures.

1.3.3. The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Secured Assets and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Secured Assets and the business of the Company shall at reasonable times be open for inspection of the Trustee and such person or persons, as the Trustee shall, from time to time, in writing for that purpose appoint.

1.3.4. The Company shall comply with all applicable directions, regulations and guidelines issued by any Governmental Authority including but not limited to the issue of Debentures.

1.3.5. So long as the Debenture Holder(s) continue to hold the Debentures, the Company agrees and undertakes to comply with all Applicable Laws including the Companies Act, 2013, all provisions of applicable SEBI regulations including SEBI (Debenture Trustee) Regulations, 1993 (as amended from time to time), SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2008 (as amended from time to time), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the debt listing agreement entered into with the stock exchanges (where the Debentures are listed/ proposed to be listed). This Deed is also subject to such guidelines as may be issued by SEBI, Government of India, such other statutory or regulatory authorities from time to time.

1.3.6. The Company hereby declares that the Company is in compliance with the provisions of the Foreign Account Tax Compliance Act (“**FATCA**”) and the Company hereby undertakes to ensure the compliance of the provisions of the FATCA at all times during the currency of the Debentures. The Company agrees to provide the respective authorities with any documentation or information requested relating to self or beneficiary or related Tax entity to the extent required by the Debenture Trustee for meeting its compliances. The Company agrees that it will provide a copy of the documents provided to the Tax authorities to the Debenture Trustee for its records. Further, the Company shall indemnify and hold harmless the Debenture Trustee for any penal consequence arising due to non-compliance of the aforesaid provision by the Company.

	1.3.7. The Company shall insure and keep insured up to the replacement value thereof or on such other basis as approved by the Trustee, the Secured Assets against fire, theft, lightning, explosion, earthquake, strike, lock out, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and other risk as may be specified by the Trustee and shall duly pay all premium and other sums payable for the purpose. 1.3.8. The Company shall pay and discharge all Taxes, rates, rents and governmental charges upon the Company or its assets under Applicable Laws. 1.3.9. The Company shall transfer unclaimed interest/dividend to “Investor Education and Protection Fund” as per Section 125 of the Companies Act 2013 and shall not forfeit unclaimed interest/dividend. 1.3.10. The Company shall invest or deposit of sum in respect of debentures maturing during the year ending on the 31st day of March of next year as per the provisions of Act read with rules made thereunder or any regulations or guidelines issued by SEBI, if applicable The Company shall intimate the trustee on or before the 30th day of April in each year in respect of investments or deposits made as per Rule 18(7)(b)(v) of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time. 1.3.11. The Company shall create and maintain a reserve to be called the “Recovery Expense Fund” as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Amendment Regulations, 2020, the SEBI REF Circular and any guidelines and regulations issued by SEBI, as applicable. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. The Company shall intimate the Trustee about creation and the form of such Recovery Expense Fund by the Company prior to the opening of the issue. The balance in the Recovery Expense Fund shall be refunded to the Company on repayment of Secured Obligations to the Debenture Holders for which a ‘No Objection Certificate (NOC)’ shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee(s) shall satisfy that there is no ‘default’ on any other listed debt securities of the Company before issuing the said NOC. 1.3.12. The Company hereby agrees and undertakes that, if during the currency of these presents, any further guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of Debenture Redemption Reserve and investment of the monies lying therein and/or Recovery Expense Fund, the Company shall duly abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Holder(s)/ Beneficial Owner(s) or the Trustee. 1.3.13. The Company shall take all steps for completion of the formalities for listing and commencement of trading at all the concerned stock exchange(s) in respect of the Debentures. 1.3.14. The Company shall ensure, and/or cause the Registrars to an issue and Share Transfer Agent to forward the details of Debenture
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Holder(s) to the Debenture Trustee at the time of allotment and thereafter by the seventh working day of every next month in order to enable Debenture Trustee to keep its records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default have occurred.

1.3.15. The Company hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations or to create a charge on the Secured Assets or there is a revision of rating assigned to the Debentures, the Trustee shall, be entitled to disclose the information to the Debenture Holder(s) and the general public by issuing a press release, placing the same on their websites and with the credit rating agencies.

1.3.16. The Company shall maintain a functional website containing correct and updated information as required by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other Applicable Laws.

1.3.17. The Company shall give an undertaking in the Shelf Placement Memorandum/Tranche Placement Memorandum / Prospectus / Offer Letter (as the case may be) that the Secured Assets are free from any encumbrances, and in cases where such assets are already charged to secure a debt, the permission or consent, where required to create a second or pari-passu charge on the Secured Assets has been obtained by the Company from its existing charge holders.

1.3.18. The Company hereby irrevocably and unconditionally appoints the Trustee to be the lawful attorney of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts of obligations declared or imposed upon the Company by these presents or of giving to the Debenture Holder(s)/ Beneficial Owner(s) or to the Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustee or any Receiver appointed by them.

1.3.19. The Company shall pay all such stamp duty as applicable on the Debentures and execution of this Deed and shall pay all such stamp duty (including any additional stamp duty, if any), other duties, Taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, Taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand.

1.3.20. The Company undertakes that it shall:

a) at all times, obtain and maintain, or cause to be obtained

	and maintained, in full force and effect (or where appropriate, renew) all clearances/ authorizations required for the purposes of the Project / business and all transactions as contemplated by the Transaction Documents, non-procuring or non-renewal whereof shall have a Material Adverse Effect. b) create all Security and execute all the Security Documents as may be required by the Trustee as per the terms hereof and shall ensure that all Transaction Documents, when executed, shall constitute its legal, valid and binding obligations under Applicable Law; c) attend to the complaints received in respect of the Debentures expeditiously and satisfactorily. d) if any of the Directors of the Company are added to any defaulter's list by any Governmental Authority, take immediate steps forthwith to remove such person from its Board. e) duly cause these presents to be registered in all respects so as to comply with the provisions of the Act and also cause these presents to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any act, ordinance or regulation applicable in any part of India, within which any portion of the Secured Assets are or may be situated, by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents. f) have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations: (i) the Trustee shall, as the Trustee may deem appropriate and necessary, be entitled to disclose all or any: (1) information and data relating to the Company, (2) information or data relating to this Deed ; (3) default committed by the Company in discharge of the obligations under the Transaction Documents, to TransUnion CIBIL Limited ("CIBIL") and any other agency authorised in this behalf by RBI; (ii) CIBIL and / or any other agency so authorised may use, process the aforesaid information and data disclosed by the Trustee in the manner as deemed fit by them; (iii) CIBIL and / or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to the Trustee, and other credit grantors or registered users, as may be specified by RBI in this behalf; (iv) the Trustee and/or RBI will have an unqualified right to disclose or publish the details of the default and the name of the guarantor (including its directors) as the case may be, as defaulters, in such manner and through such medium as the Trustee or RBI in their absolute discretion may think fit; 1.3.21. The Company agrees that no immunity (if acquired) shall be claimed by it or on its behalf with respect to its assets in any proceedings in relation to its obligations under the Transaction Documents and shall waive any such right of immunity which it or its assets has or may acquire. The execution of this Deed constitutes, and the exercise of its rights and performance of and compliance with its obligations under this Deed will constitute, private and commercial acts done and performed for private and commercial purposes.
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1.3.22. The Company declares and undertakes that it has obtained the necessary permissions as may be required, for entering into the Transaction Documents, and shall execute the same within the time frame prescribed under the relevant SEBI regulations and circulars and furthermore, shall submit such Transaction Documents to the stock exchange for uploading on its website (as applicable), within 5 (five) days of execution of the same.

1.4. Information Covenants

The Company shall provide the relevant information set out in the Sixth Schedule hereto, in the manner and within the time period stipulated therein.

1.5. Negative Covenants

1.5.1. The Company shall not, without prior intimation to the Debenture Trustee, make any change in the nature and conduct of its business (from what is being carried out as on the date hereof) other than the objects as set out in its Memorandum of Association.

1.5.2. The Company shall not, without the prior consent of the Debenture Trustee, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise encumber or charge or dispose the Secured Assets or any part thereof;

1.5.3. The Company shall not make any material modification to the structure of the Debentures in terms of coupon, conversion, Redemption, or otherwise without the prior approval of the stock exchange and such prior approval of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately.

1.5.4. The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default.

1.5.5. The Company shall not, without the prior consent of the Debenture Trustee, directly or indirectly contract, create, incur, assume or suffer to exist any indebtedness or borrowing arrangement, either secured or unsecured, with any other bank, financial institution, company or otherwise or accept deposits, except as otherwise permitted herein.

1.5.6. The Company shall not create further charge or encumbrance of the Secured Assets other than the Permitted Security Interest, without prior approval of the Trustee and the Debenture Holder(s) /Beneficial Owners.

1.5.7. The Company shall not, without the prior consent of the Debenture Trustee, abandon or agree to abandon its [Project/ business].

1.5.8. The Company shall not, without the prior consent of the Debenture Trustee, carry out any amendments or alterations to the memorandum of association and articles of association, which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/impact the rights/interest of the Debenture Holders.

1.5.9. The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

1.6. ENFORCEMENT AND REALISATION RELATED COVENANTS

1.6.1 Trust of The Secured Assets

The Secured Assets shall be and remain security to the Trustee for the due Repayment of the Secured Obligations, including the principal amount of the Debentures, together with redemption premium, if any, interest, Trustee's remuneration and all other monies payable under the Debentures and the Trustee shall permit the Company, until the happening of one or more of the events upon the `happening of which the Security shall become enforceable, to hold and enjoy the Secured Assets and to carry on therein and therewith the business authorised by the Memorandum of Association of the Company and upon the happening of any such event, the Trustee may (but subject to the provisions as applicable) in their discretion, and upon request in writing of the Majority Debenture Holders, enter upon or take possession of and/or receive the rents, profits and income of the Secured Assets or any of them or any part thereof and may at their discretion and shall upon request of the Debenture Holder(s)/Beneficial Owner(s) as mentioned above (subject to the provisions of section 69 of the Transfer of Property Act, 1882 in case of immovable properties) sell, call in, collect and convert into monies the same or any part thereof with full power to sell any of the Secured Assets either by public auction or private contract and either for a lump sum or a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or as to the removal of any property which may be sold separately or otherwise as the Trustee shall think proper and with full power to buy in or rescind or vary any contract for sale of the Secured Assets or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit.

PROVIDED ALWAYS that before making any such entry or taking possession as aforesaid or making any sale, calling in, collection or conversion under the aforesaid power in that behalf (hereinafter referred to as the "**Power of Sale**"), the Trustee shall give written notice of their

intention to the Company. But the Trustee (acting on the instructions of the Special Majority of Debenture Holders) shall not be bound to give any such notice in any case where they shall certify, either before or after entry, that in their opinion further delay would imperil the interests of the Debenture Holder(s)/Beneficial Owner(s), or in any case where an order or resolution for the winding up of the Company shall have been made or passed. The Trustee shall not exercise the Power of Sale if in the case of such power arising by reason of any default in payment of any monies due in respect of the principal together with redemption premium, if any, or interest, the Company shall prove to the Trustee the payment of monies so in arrears within three months next after the notice has been given or if in the case of such power arising by reason of any provision as herein stated the Company shall, within 7 (seven) days of the receipt of a notice, remove, discharge or pay out any distress, execution or process or fully perform the covenants, conditions or provisions breached, if capable of being performed, or make good the breach thereof, or pay adequate compensation for such breach to the satisfaction of the Trustee and any compensation so paid to the Trustee shall be deemed to be part of the Secured Assets.

All the powers and provisions contained in or implied by these presents shall, notwithstanding anything contained herein or arising by virtue thereof or except in consultation with the Trustee, be subject to and *pari passu* with those of the Existing Encumbrances and the same shall not be exercised or enforced by the Trustee hereunder so as to in anyway prejudice the rights and interests of the existing chargeholders under their existing securities and except with the prior approval and consent of the existing chargeholders.

Trust of Proceeds of Sale/ Realisation out of The Secured Assets

The Trustee shall hold UPON TRUST the monies, received by them or the Receiver in respect of the Secured Assets or any part thereof arising out of :-

any sale, calling in, collection or conversion under the Power of Sale;
income, rent or profits arising in respect of the Secured Assets;
policy or policies of insurance;
compensation money in respect of any acquisition and requisition or nationalisation or take-over of the management of the Company;
any other realisation whatsoever;

and they shall, in the first place, by and out of the said monies, reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, appointment of Receiver, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their, and the Receiver's remuneration as herein provided, and shall apply the residue of the said monies subject to the rights of the mortgagee as may be provided in a separate arrangement to be entered into between them and the Trustee:

FIRSTLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), *pari passu*, of all arrears of interest including compound interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Debentures held by them;

SECONDLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), *pari passu*, of all principal amounts together with redemption premium, if any, owing on the Debentures held by them and whether the said principal amounts together with redemption premium, if any, shall or shall not then be due and payable; and

THIRDLY in or towards payment of the surplus (if any) of such monies to the person or persons entitled thereto:

Provided that, if the Trustee acting on the instructions of the Majority Debenture Holder(s), is of the opinion that it is expedient to do so, payments may be made on account of principal together with redemption premium, if any, before the whole or part of the interest due on the Debentures has been paid off, but such alteration in the order of payment of principal together with redemption premium, if any, and interest herein prescribed shall not prejudice the right of the Debenture Holder(s)/Beneficial Owner(s) to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which sum ultimately realised from the security may be sufficient to pay.

The Trustee shall not be affected by any notice, express or implied, of the right, title or claim of any Person to the said monies other than the Debenture Holder(s).

Power to Accumulate Proceeds

If, the amount of the monies at any time apportionable under Clause 1.6.2 hereof shall be less than 10% (ten percent) of the nominal amount of the Debentures then outstanding, the Trustee may, at their discretion, invest such monies in any one of the Authorised Investments herein authorised with power, from time to time, at its discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other fund for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay 10% (ten per cent) of the Debentures then outstanding and the accumulations and funds shall be applied in the manner aforesaid. Provided that the Trustee shall not be liable for any loss which may be occasioned by any investment or variation thereof made by them pursuant to this Clause.

Investment of Capital Monies

Subject as aforesaid, the Trustee shall invest the net capital monies referred

to in Clauses 1.6.2 and 1.6.3 above, upon some or one of the Authorised Investments or place the same upon deposit or in current account in the name of the Trustee with any scheduled bank or banks with power from time to time to vary such investments and with power from time to time at their discretion to resort to any such investments for any of the purposes for which such proceeds are under these presents authorised to be expended. Provided however that any such monies including the Authorised Investments shall be held by the Trustee solely in trust for the benefit of the Debenture Holder(s).

Authorised Investments

Any monies which are under the trust or powers herein contained ought to be invested by the Trustee may be invested in the name of the Trustee in any of the investments by law authorised for investment of Trust monies for the time being in force in India (“**Authorised Investments**”) with power to vary and transpose such investments and in so far as the same shall not be invested shall be placed on deposit in the name of the Trustee in scheduled bank or banks.

Notice Before Payment

The Trustee shall give not less than 14 days’ notice to the Debenture Holder(s)/Beneficial Owners(s) under Clauses 1.6.2 and 1.6.3 hereof and after the day so fixed, the Debenture Holder(s)/Beneficial Owners(s) of each outstanding Debenture shall be entitled to interest on the balance only (if any) of the principal moneys due on such Debentures held by them after deducting the amount (if any) payable in respect of the principal thereof on the day so fixed.

Memorandum of Part Satisfaction

Upon any payment under 1.6.2 and 1.6.3 above, not amounting to complete payment of all principal amounts and interest due thereon, the Debentures in respect of which payment is made shall be produced to the Trustee who shall cause a memorandum of the amount and date of payment to be endorsed thereon. The Trustee may, in their discretion, dispense with the production and endorsement of Debentures as aforesaid, in any special case upon such indemnity as the Trustee may think fit.

Receipt of Debenture Holder(s)

The receipt of each holder/owner of the Debentures (s) or if there be more than one holder(s)/owner(s) of any such Debentures, then the receipt of any one of such holder(s)/owner(s) or of the survivors or survivor for the principal monies and interest payable in respect of each of such Debenture shall be a good discharge to the Trustee.

Purchasers and Persons dealing with Trustee Not Put on enquiry

No purchaser, mortgagor, mortgagee or other person dealing with the Trustee or any Receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the Security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the Trustee or Receiver and in the absence of *mala fides* on the part of such purchaser, mortgagor, mortgagee or other person such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

Receipt of Trustee to be Effectual Discharge

Upon any such sale, calling in collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained the receipt of the Trustee for the purchase money of any of the Secured Assets sold and for any other monies paid otherwise howsoever to them shall effectually discharge the purchaser or purchasers or person paying the same there from and from being concerned to see to the application or being answerable for the loss or misapplication or non-application thereof.

Application To Court

The Trustee may at any time after the security hereby constituted becomes enforceable apply to the Court for an order that the powers and trusts hereof be exercised and carried into execution under directions of the Court and for the appointment of a Receiver(s) and manager of the Secured Assets or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the Trustee shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the Debenture Holder(s)/Beneficial Owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.

INFORMATION COVENANTS

1. The Company shall at the end of every calendar quarter within 45 days of the respective quarter or within 7 days of the relevant Board meeting¹ whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the followingⁱ:

	a) Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder(s)/Beneficial Owner(s); b) Details of interest due but unpaid, if any, and reasons for the same; c) Details of payment of interest made on the Debentures in the immediately preceding calendar quarter; d) The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and e) Statement that the Security is sufficient to discharge the claims of the Debenture Holder(s) as and when they become due. The Company shall also submit a certificate from a statutory auditor for every second fiscal quarter and fourth fiscal quarter certifying the value of book debts/receivables and maintenance of the Security Coverage Ratio, as per the terms of Information Memorandum and this Deed including compliance with the covenants of the Information Memorandum and any other covenants in respect of listed non-convertible debt securities in the manner as may be specified by SEBI from time to time. 2. The Company shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following: a) at the end of each year, a certificate from the statutory auditors with respect to the use of the proceeds raised through the issue of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized; b) by no later than 30 (thirty) days from the Deemed Date of Allotment or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Company confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the timelines prescribed under the Applicable Laws; c) at the end of every year from the Deemed Date of Allotment, a certificate from a practicing chartered accountant/registered valuer confirming the value of the Secured Assets, and a half-yearly certificate alongwith half yearly results from the statutory auditor regarding maintenance of hundred percent asset cover or asset cover as per the terms of Shelf Placement Memorandum/Tranche Placement Memorandum and/or this Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results; d) upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying
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	the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a failure to create charge on the Secured Assets, or there is a breach of any covenants, terms or conditions by the Company in relation to the Debentures under any Transaction Documents; e) a copy of all notices, resolutions and circulars relating to: (i) new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities; (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings; f) intimation to the Debenture Trustee (alongwith the stock exchange), if any of the following proposals being placed before the Board: (iii) any alteration in the form or nature or rights or privileges of the Debentures; (iv) any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or (v) any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered. 3. The Company shall promptly inform the Debenture Trustee the status of payment (whether in part or full) of Debentures within 1 (one) working day of the payment / Redemption. While intimating the Debenture Trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository. 4. Promptly within 2 (two) days of the interest or principal or both becoming due, the Company shall submit a certificate to the stock exchange(s) alongwith the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website. 5. If default in payment of Debentures is continuing, the Company shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of April of each financial year, alongwith the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Company shall also intimate the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of such development. The aforementioned intimations shall be submitted until the Secured Obligations are fully discharged or satisfied. The Company shall provide an undertaking to the Stock Exchange(s) on annual basis that all documents and intimations required
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	to be submitted to Debenture Trustees in terms of Trust Deed and SEBI (Issue and listing of Non Convertible securities) Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records. 6. The Company shall promptly inform the Debenture Trustee the following details (if any): - corporate debt restructuring, - fraud/default by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and / or - reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company. 7. The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information alongwith the Debenture Trustee's letter of noting of the said information: - Credit rating of the Debentures or change in credit rating; - Nature, extent of the Security and security cover available for the Debentures; - Debt-equity ratio; - Previous due date for the payment of interest/principal and whether the same has been paid or not; - Next due date for the payment of interest/principal; - Debt service coverage ratio; - Interest service coverage ratio; - Net worth; - Net profit after tax; - Earnings per share; - A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures. 8. The Company shall notify the Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence. 9. The Company shall furnish to the Trustee details of all grievances received from the Debenture Holder(s)/ Beneficial Owner(s) and the steps taken by the Company to redress the same. At the request of any Debenture Holder(s)/ Beneficial Owner(s), the Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holder(s)/ Beneficial Owner(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s). 10. To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:
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	<table><tr><th>Reports/Certificates</th><th>Timelines for submission requirements by Company to Debenture Trustee</th><th>Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange</th></tr><tr><td>Asset cover certificate</td><td rowspan="3">Quarterly basis within 30 days from end of each quarter or within such timelines as prescribed under Applicable Law</td><td rowspan="3">Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law</td></tr><tr><td>A statement of value of pledged securities</td></tr><tr><td>A statement of value for Debt Service Reserve Account or any other form of security offered</td></tr><tr><td>Net worth certificate of guarantor (secured by way of personal guarantee)</td><td>Half yearly basis within 30 days from end of each half-year or within such timelines as prescribed under Applicable Law</td><td>Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law.</td></tr><tr><td>Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)</td><td rowspan="2">Annual basis within 45 days from end of each financial year or within such timelines as prescribed under Applicable Law.</td><td rowspan="2">Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.</td></tr><tr><td>Valuation report and title search report for the immovable/movable assets, as applicable</td></tr></table>	Reports/Certificates	Timelines for submission requirements by Company to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange	Asset cover certificate	Quarterly basis within 30 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law	A statement of value of pledged securities	A statement of value for Debt Service Reserve Account or any other form of security offered	Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 30 days from end of each half-year or within such timelines as prescribed under Applicable Law	Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law.	Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)	Annual basis within 45 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Valuation report and title search report for the immovable/movable assets, as applicable	11. The Company shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. 12. The Company shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company.
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	13. The Company shall promptly supply certified copies to the Trustee of any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents. 14. The Company shall supply to the Debenture Trustee a copy of annual report 15. The Company shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests), half yearly financial results within forty five (45) days from the end of the each half year. 16. In case of initiation of forensic audit (by whatever name called) in respect of the Company, the Company shall provide following information and make requisite disclosures to the stock exchanges: (i) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and (ii) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any. 17. The Company shall promptly provide or inform the Debenture Trustee the details of all orders, directions, notices, of any court / Tribunal affecting or likely to affect the Secured Assets. 18. The Company shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the time lines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law. 19. The Company shall furnish the following to the Debenture Trustee: (a) its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year; (b) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law; (c) a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses; (d) such information in relation to the Secured Assets that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the Security Coverage Ratio and shall also submit to the Debenture Trustee a certificate
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	from the director/ managing director of the Company on half-yearly basis, certifying the value of the identified receivables as agreed in the Transaction Documents; (e) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230. 20. The Company shall: a) supply to the Trustee (with sufficient copies for all Debenture Holder(s) if the Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched; b) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of any event which may have a Material Adverse Effect; c) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Company to abandon the business; d) at the end of every financial year, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), a certificate from a statutory auditor confirming the due maintenance of a Debenture Redemption Reserve as per the provisions of Applicable Law; e) promptly, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Trustee, accompanied (where relevant) by a specimen signature of each new signatory; f) forthwith give, notice in writing to the Trustee of commencement of any proceedings directly affecting the Secured Assets. Issuer shall adhere to following covenants ; • To meet the Minimum Security Cover requirement – Minimum Security cover of 1x shall be maintained • To maintain total Capital Adequacy above 15% • To maintain Gross NPA of the Issuer below 9.5% • To maintain Net Stage 3 of the Issuer below 8%
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	Assets and liability management as per the prevalent RBI regulations. Covenants to be tested on quarterly basis. Noncompliance of information/ reporting covenants for the financial covenants for more than 45 days (cure period) from the date of reporting such event, shall be treated as an Event of Default. Other than as disclosed in the Shelf Placement Memorandum, there are no other covenants.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Shelf Placement Memorandum.	The principal amount of the Debentures together with Coupon thereon, subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by a Specific and exclusive charge on the receivables of Secured Assets of the Company that are current and standard (excluding receivables specifically and exclusively charged in favor of certain existing charge holders), to be created in favor of the Debenture Trustee, and to be specifically set out and described in the Debenture Trust Deed cum Deed of Hypothecation and the Security Documents, such that a security cover of 100% of the outstanding principal amounts of the Debentures and coupon thereon is maintained at all time until the Maturity Date. The value of receivables to be determined based on the net exposure outstanding and be reviewed on a quarterly basis to maintain minimum cover of 100%. The Company undertakes to maintain Minimum Security Cover of 1 time, to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs. Non-Maintenance of minimum-security cover as mentioned above will attract 2% p.a. penalty over and above the coupon rate as specified in the term sheet for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed one month from the day such cover falls below the required cover. The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the maintenance of Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee. The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation before making listing application to stock exchange. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription (i.e. redemption at par) along with other monies/ accrued interest due in respect thereof or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.
Transaction Documents	Debenture Trustee Agreement; Information Memorandum; Debenture Trust Deed, Security Document, if any Such other documents as agreed between the Issuer and the Debenture Trustee.

Condition Precedent to Disbursement	The Issuer shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture prior to the Payin Date: All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed Receipt of the Rating Rationale from Credit Rating Agency, confirming the Target Rating; Receipt of the BSE in-principal approval letter on or prior to the Deemed Date of Allotment; Execution of the Debenture Trustee Agreement Due diligence certificate from Debenture Trustee confirming “Issuer has obtained the permissions / consents necessary for creating security on the said property(ies)” Others as finalised during documentation.
Condition Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/activities Are completed as per the time frame stipulated in the Debenture Trust Deed: The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (days) Business Days of the Deemed Date Of Allotment Return of Allotment in Form PAS-3 to filed within 15 (Fifteen) days from the Deemed date of allotment; Issuer shall obtain final listing approval from BSE within 4 trading days from the date of closure of issue The Issuer shall ensure compliance with SEBI Regulations / Companies Act 2013 (as applicable) for issuance of NCDs; Within the timeline set under applicable law or the timelines as agreed between the Debenture Trustee and the Company, whichever is earlier, execute the Debenture Trust Deed cum Deed of Hypothecation, and any other documents as may be required by the Debenture Trustee. Other conditions as detailed in the Transaction Documents.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents: If the Company defaults in making repayment of the Coupon and/or the Redemption Amount(s) on the respective Due Date(s) in full or in part, (whether at scheduled maturity, by acceleration, as a result of Debenture Holder(s) exercising the Optional Accelerated Redemption or otherwise). Default shall have occurred in the performance of any material covenants (including Financial, Negative & maintenance of minimum Security Cover covenants) conditions or agreements on the part of the Company other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/Beneficial Owner(s)/ Debenture Trustee <u>Security is in jeopardy</u> When the Company creates or attempts to create any charge on the Secured Assets or any part thereof, other than the Permitted Security Interest,

	without the prior approval of the Trustees/Debenture Holder(s) or the Security Coverage Ratio is not maintained by the Company; subject to non-maintenance of asst cover clause as mentioned below The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee / Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer The Company has taken or suffered to be taken any action for re-organization of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders; Promoters or key management personnel of the Issuer being declared wilful defaulter The promoter's and/or the directors of the Issuer are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter's and/or director, including any accusations, charges and/or convictions of any offence relating to bribery There shall have occurred Material Adverse Effect and such Material Effect has not been remedied or rectified within period of 30 (Thirty) calendar days. Any corporate action, legal proceedings or other procedure or step is taken in relation the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; composition, compromise, assignment or arrangement with any creditor of the Issuer; the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer, enforcement of any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above. Erosion of 50% or more of the Issuer's net worth from the Net-worth on Deemed Date of Allotment:'
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	The Shelf Placement Memorandum/Tranche Placement Memorandum or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable. The Issuer repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents. Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets of the Company or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations. The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof. The Listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holder(s) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. Change in Promoter and/or Management Control without prior written consent from the Debenture Holders Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not stayed, quashed or dismissed within 15 (Fifteen) days Any reference to Insolvency and Bankruptcy Code /by any financial creditor(s)/other entities, Cross default: An event of default shall arise if the Issuer defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created; or defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other
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	event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or due to any default or an event of default, any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity hereof. Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the majority Debenture Holder/s may deem fit. The details with respect to same shall be specifically mentioned in the Debenture Trust Deed.
Creation of recovery expense fund	The Issuer had created recovery expense fund in the manner as may be specified by SEBI from time to time and same shall be informed to the Debenture Trustee. The recovery expense fund shall be utilised for the activities as may be permitted by the applicable regulations
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	(a) The Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof. 4.2 Consequences of Events of Default Upon the occurrence of any Event of Default and the expiry of cure periods where applicable, all outstanding amounts on the debentures shall stand accelerated and become payable forthwith 4.2.1 After the occurrence of an Event of Default under Clause 4.1 above, and the expiry of cure periods (if any) the Debenture Trustee shall send a notice to the Debenture Holder(s) (along with a copy to the Company) within 3 (three) days of the Event of Default by registered post / acknowledgement due or speed post / acknowledgement due or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained. 4.2.2 The notice shall contain the following: (a) request for negative consent for proceeding with the enforcement of security; (b) request for positive consent for signing of the ICA; (c) the time period within which the consent needs to be provided by the Debenture Holder(s), viz. consent to be given within 15 days from the date of notice or such revised timelines as prescribed under Applicable Law; and

	(d) the date of meeting to be convened (which shall be within 30 days of the occurrence of Event of Default). Provided that in case the Event of Default is cured between the date of notice and the date of meeting, then the convening of such a meeting may be dispensed with. <i>[Note: It is clarified that in case of Public Issue, the notice sent by the Debenture Trustee(s) pursuant to Clause 4.2.1 above shall not contain the consent as per sub-clause 4.2.2 (a) and the requirement to convene a meeting for enforcement of security, as per sub-clause 4.2.2(d) above.]</i> 4.2.3 The Debenture Trustee shall take necessary action of either enforcing the Security or entering into the ICA or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a representative committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions [which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s), from time to time. The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws. 4.2.4 The Trustee shall also have the following rights (notwithstanding anything in these presents to the contrary):
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	(a) to enter upon and take possession of the Secured Assets as per the provisions of this Deed; (b) to enforce any Security created pursuant to the Security Documents in accordance with the terms thereof, as may be set out therein, towards Repayment of the Secured Obligations; (c) to transfer the Secured Assets of the Company by way of lease/sub-lease or license or sale upon occurrence of Event of Default in accordance with the terms hereof; (d) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company, in the manner more particularly set out in Clause 10.22 of this Deed; (e) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), sale without intervention of Court under Section 69 of Transfer of Property Act, 1882 or any other Applicable Law; (f) to levy default interest on overdue amounts as per the terms of issue; and (g) to exercise such other rights as the Debenture Holder(s) may deem fit under Applicable Law. 4.2.5 The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. 4.2.6 All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred in connection with:- (a) preservation of the Secured Assets (whether then or thereafter existing); and (b) collection of amounts due under this Deed, shall be payable by the Company. 4.2.7 Without prejudice to the obligation of the Trustee to monitor the Security Coverage Ratio and the Security in respect of the Debentures and to take necessary enforcement actions in accordance with the Transaction Documents, it is hereby clarified that the Trustee shall not be liable in any manner to guarantee the recovery of the entire outstanding amounts in relation to the Debentures.
EBP Process	Issue and Payment Procedure Bidding Process All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.

- **Manner of settlement**

Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on ‘Payment Mechanism’ of this Disclosure Document.

- **Provisional or Final Allocation**

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of ` 10,00,000 (Rupees Ten Lakhs Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

- **Payment Mechanism**

Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).

List of Designated Banks is as under:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNOC	HDFC0000060
Mode	RTGS	RTGS	RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“**Pay-in Time**”). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.

	Settlement Process Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder. The Company shall give the instruction to the Registrar for crediting the Debentures by 2.00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 2.00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).
Method of Allotment	Uniform Yield
Bid Timing	10.00 AM to 11.00 AM
Settlement cycle	T+1
Manner of Bidding	Open
Settlement Through	ICCL
Terms and conditions of debenture trustee agreement including fees charged by Debenture Trustees(s). details of security to be created	Please refer to Annexure G Debenture Trustee Agreement has been executed as per required regulation on February 15, 2022 i.e. before opening of the issue. The Debenture Trustee Fees is levied by the Trustee vide their communication dated April 5, 2021 as agreed by both the parties.
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed mutually by the Investor and Issuer, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Chennai. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include: Trustee fees Rating fees Stamping and registration costs in relation to all Transaction Documents Any other reasonable transaction related expense incurred by the Debenture Holders.
Taxes, Duties, Costs and	Relevant taxes, duties and levies are to be borne by the Issuer.

Expenses	The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS)	Name of the Bank - Axis Bank Ltd Bank Branch – R.K. Salai Branch, Mylapore, Chennai Account Number – 913020045382436 IFSC Code – UTIB0000006
Documents	Copy of Board Resolution for NCD. Copy of Shelf Placement Memorandum/Tranche Placement Memorandum
Trustees	Catalyst Trusteeship Limited
Compliance	Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Escrow Account	In the event SCUF Rating Downgrades to A+ / Negative, the Company agrees to fund NCD redemption in the Escrow account in favour of Debenture Trustee (on behalf of the debenture holder/s) within 17 (Seventeen) calendar days from the date of such downgrade. This escrow account to be opened only at two notch rating downgrade.

Illustrative Cash Flow Details

Amount	44000,00,000.00
Rate of Interest	7.5000%
Tenor	15 Months

Date	Principal	Interest	Cash Flow	POS
February 22, 2022			-440,00,00,000	440,00,00,000
February 22, 2023		33,00,00,000	33,00,00,000	440,00,00,000
May 22, 2023	440,00,00,000	804,65,753	44804,65,753	-

For Shriram City Union Finance Limited

Authorised Signatory

Place: Chennai

Date: February 15, 2022



SHRIRAM CITY UNION FINANCE LIMITED
Corporate Identity Number (CIN) – L65191TN1986PLC012840,
PAN – AAACS7703H
Date and Place of Incorporation – Chennai, March 27, 1986
RBI registration number – 07-00458
(A Public Limited Company Incorporated under the Companies Act, 1956)
Registered Office: 123, Angappa Naicken Street, Chennai Tamil Nadu 600 001
Corporate Office: No.144, Santhome High Road, Mylapore, Chennai - 600 004.
Tel: (044) 43925300 ; Fax: (044) 4392 5430; E-mail: sect@shriramcity.in
Website: www.shriramcity.in

TRANCHE PLACEMENT MEMORANDUM /ISSUE ADDENDUM ISSUED IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON CONVERTIBLE SECURITIES) REGULATIONS, 2021 DATED AUGUST 9, 2021, AS AMENDED FROM TIME TO TIME AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED FROM TIME TO TIME AND TO THE SHELF PLACEMENT MEMORANDUM DATED SEPTEMBER 15, 2021 (“SPM”) IN RESPECT OF THE PRIVATE PLACEMENT OF REDEEMABLE SECURED RATED LISTED NON-CONVERTIBLE DEBENTURES (NCDS) OF FACE VALUE OF TO ₹ 10,00,000 EACH FOR AN AMOUNT OF ₹ 50 CRORES (“BASE ISSUE SIZE”) WITH GREEN SHOE OPTION UPTO ₹ 130 CRORES AGGREGATING UPTO 1800 NCDS AMOUNTING UPTO ₹ 180 CRORES IN ONE OR MORE TRANCHEs AS FULLY PAID-UP

PRIVATE PLACEMENT BY SHRIRAM CITY UNION FINANCE LIMITED (“COMPANY OR THE ISSUER”) OF REDEEMABLE SECURED NON-CONVERTIBLE DEBENTURES (SNCDS) OF FACE VALUE OF ₹ 10,00,000 EACH FOR AN AMOUNT OF ₹ 150 CRORES (“BASE ISSUE SIZE”) WITH GREEN SHOE OPTION UPTO ₹ 500 CRORES AGGREGATING UP TO 6500 NCDS AMOUNTING TO ₹ 650 CRORES IN ONE OR MORE TRANCHEs AS FULLY PAID-UP (“ISSUE”) UNDER THE TERMS OF THE SHELF DISCLOSURE DOCUMENT READ WITH THIS ISSUE ADDENDUM

This Tranche Placement Memorandum/ Issue Addendum (“**Issue Addendum**”) is issued in terms of and pursuant to the Shelf Placement Memorandum dated February 14, 2022. All the terms, conditions, information and stipulations contained in the Shelf Placement Memorandum, unless the context states otherwise or unless specifically stated otherwise, are incorporated herein by reference as if the same were set out herein. Investors are advised to refer to the same to the extent applicable. This **Issue Addendum** must be read in conjunction with the Shelf Disclosure Document and the Private Placement Offer cum Application Letter.

This Issue Addendum contains details of this Series and any material changes in the information provided in the Shelf Placement Memorandum, as set out herein. Accordingly set out below are the updated particulars / changes in the particulars set out in the Shelf Placement Memorandum, which additional / updated information / particulars shall be read in conjunction with other information / particulars appearing in the Shelf Placement Memorandum. All other particulars appearing in the Shelf Placement Memorandum shall remain unchanged. In case of any inconsistency between the terms of this **Issue Addendum** and the Shelf Placement Memorandum and/or the terms of this **Issue Addendum** and/or any other Transaction Document, the terms as set out in this **Issue Addendum** shall prevail.

All capitalised terms used but not defined herein shall have the meaning ascribed to them in the Shelf Placement Memorandum.

This Issue Addendum is dated February 15, 2022

ISSUE ADDENDUM - II

Security Name	9.00% Secured Senior Rated Listed Redeemable Non-Convertible Debentures
Issuer	Shriram City Union Finance Limited (SCUF/Issuer/ Company)
Type of Instrument	Secured Senior Rated Listed Redeemable Non-Convertible Debentures (NCDs/ Debentures)
Nature of the Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As mentioned in the Shelf Placement Memorandum under captioned “Eligible Investor”
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	On the Wholesale Debt Market(WDM) segment and Capital Market Segment of M/s BSE Limited Delay in Listing: In case of delay in listing of the debt securities beyond 4 (Four) trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 (Four) trading days from the date of closure of issue till the listing of such debt securities to the investor.
Rating of Instrument	“CRISIL AA” by CRISIL Ratings Limited and “IND AA/Outlook Positive” by India Ratings & Research Private Limited
Issue Size	Rs. 180 Crores
Base Issue :	Rs. 50 Crores
Green Shoe :	Rs. 130 Crores
Option to retain oversubscription	NA
Objects & Details of the utilization of the Proceeds	The Issue proceeds will be utilized to augment medium to long-term resources of the Company and for on-lending purposes The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (including equity, debt, debt linked and equity linked instruments or any other capital market activities), any speculative purposes, land acquisition or usages that are restricted for bank financing, any activity in the ‘Exclusion List’ (as such term shall be defined under the Transaction Documents) or investment in the real estate sector. The proceeds of the NCD shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/Other regulatory guidelines. No loan shall be given to group company(ies) from the proceeds of the issue.
Coupon	9.00% per annum payable annually
Step Up / Step Down Coupon Rate	If the rating of the debentures from either of the Rating Agencies is downgraded below the existing rating the Coupon Spread shall be increased by 0.25% each downgrade of 1 (One) notch and such increased rate of coupon will shall be applicable on the outstanding principal amount from the date of such downgrade.

	In the event rating of the Issuer is restored to the rating prior to the downgrade event, the applicable Coupon Spread shall be reduced by 0.25%. The decreased rate of interest in accordance with this provision cannot in any case be lower the interest rate fixed at the time of Issuance. In case of Multiple Ratings for the said issue ,lowest rating shall be considered for Step -up.
Coupon Payment Frequency	The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption Date subject to Business Day Convention
Coupon Payment Dates	The Coupon shall be payable on annual basis from the Deemed Date of Allotment and on Redemption Date subject to Business Day Convention as mentioned below:
Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Days Count Basis	Actual / Actual i.e. The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days. In case of leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days for the whole one year period. (SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021)
Interest Application Money	Not Applicable
Default Interest Rate	Security Creation (where applicable): In case of delay in execution of Debenture Trust Deed cum Deed of Hypothecation and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor. Default in Payment and other Events of Defaults: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least @ 2% p.a. over the Coupon Rate will be payable by the Company for the defaulting period. In case issuer defaults other events of defaults as specified in the Transaction documents. The Issuer agrees to pay additional interest of at least @ 2%. over the Coupon Rate for the defaulting period. Delay in Listing: In case of delay in listing of the debt securities beyond 4 trading days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 4 trading days from the date of closure of the Issue till the listing of such debt securities to the investor.
Tenor	10 years from deemed date of allotment
Redemption Date	February 22, 2032
Redemption Amount	Rs. 10,00,000/- per NCD.
Redemption premium / discount	NA

Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Discount at which NCD is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	NA
Put Option Price	NA
Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs) per NCD
Minimum Application and in multiples of NCD thereafter	10 Debenture of Rs.10,00,000 each and in multiples of 1 Debenture thereafter
Issue Timing	10.00 AM to 12.00 PM
Issue Opening Date	February 21, 2022
Issue Closing Date	February 21, 2022
Date of earliest closing of the issue, if any	Not applicable
Pay in Date	February 22, 2022
Deemed Date of Allotment	February 22, 2022
Issuance mode of the instrument	Demat Form
Trading mode of the instrument	Demat Form
Settlement mode of the instrument	RTGS / Fund Transfer
Depository	National Securities Depository Limited and Central Depository Services (India) Limited
Disclosure of interest / redemption dates	Interest Payment Dates: February 22, 2023 February 22, 2024 February 22, 2025 February 22, 2026 February 22, 2027 February 22, 2028 February 22, 2029 February 22, 2030 February 24, 2031 February 22, 2032 Redemption Date: February 22, 2032

Business Day Convention	If any interest payment date fall on a non-business day, the payment may be made on the following working day without liability for making payment of interest for the delayed period. If any principal payment date falls on a non-business day, Principal will be payable on the previous working day along with interest upto that date. Working days shall be all days on which money market is functioning in Mumbai excluding Saturday & Sundays or a holiday of commercial banks in Mumbai or a public holiday in India. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Coupon payment convention will be as per SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Record date	15 Calendar Days prior to the relevant event
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	Covenant to Pay Principal and Interest: 1.1.1 The Company covenants with the Trustee that it shall pay to the Debenture Holder(s)/Beneficial Owner(s) the principal amount of the Debentures together with redemption premium, if any, on the Redemption Dates and shall also pay interest (inclusive of penal interest where applicable) on the Debentures in accordance with Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum. Provided that if so called upon by the Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s)/Beneficial Owner(s). Such payments shall be passed on to the Debenture Holder(s)/Beneficial Owner(s), subject to the appropriation in the order of preference mentioned in Clause 10.17 of this Deed. 1.1.2 The Company shall, at all times until the Secured Obligations have been duly discharged, maintain a bank account no. 913020045382436 with Axis Bank Limited, ("Account Bank") from which it proposes to pay the redemption amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 1 (one) working day of any change in the Account Bank details. 1.1.3 The Company further acknowledges, agrees, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI regulations and as per company letter dated 2nd Dec 2020 countersigned by the Account Bank. Further, in case of change of Account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter and duly accepted consent letter from the successor / new account bank. 1.1.4 The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holder(s) pursuant to the terms of this Deed.

INTEREST

The Debenture Holder(s)/Beneficial Owners(s) shall be paid interest in accordance with the provisions under Clause 10.10 of this Deed and the Shelf Placement Memorandum/Tranche Placement Memorandum.

Interest and all other charges shall accrue from day to day and shall be computed on the basis of actual number of days elapsed, in a year of 365 days year or 366 days (in case of leap year), as the case may be. The interest for the last broken period shall be payable at the time of Redemption of said Debentures.

Any payments to be made to the Debenture Holder(s)/Beneficial Owner(s), including payment of interest, payment upon Redemption, shall be made by the Company using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) or any other permitted electronic method as offered by Debenture Holder(s) / Beneficial Owner(s) into such bank account of a Debenture Holder/Beneficial Owner as may be notified to the Company by such Debenture Holder/Beneficial Owner or the Trustee at the time of applying to the Debentures or as may be notified to the Trustee, subsequently through a valid communication channel.

1.3. General Undertakings / Obligations

1.3.1. The Company shall as required by Section 88 of the Act, keep at its registered office / corporate office a Register of the Debenture Holder(s) holding Debentures, in physical / electronic form showing (a) the name and address and the occupation, if any, of each holder, (b) the amount of the Debentures held by each holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the Register as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof.

The Debenture Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in Section 94 of the Act, be entitled to inspect the said Register and to take copies of or extracts from the same or any part thereof during usual business hours. The Register may be closed by the Company at such time and for such periods as it may think fit in accordance with the provisions of the Act after giving not less than 7 days' previous notice or such notice as prescribed under Applicable Law by advertisement in some newspaper circulating in the district in which the Company's registered office is situate. No transfer will be registered during such period when the register of Debenture Holder(s) remains closed.

1.3.2. The Company shall request the Depository to provide a list of Beneficial Owner(s) showing (a) the name and address and the occupation, if any, of each Debenture Holder, (b) the amount of the

Debentures held by each Debenture Holder distinguishing each Debenture by its number and the amount paid or agreed to be considered as paid on those Debentures, (c) the date on which each person was entered in the list as a Debenture Holder, (d) the date on which any person ceased to be a Debenture Holder, and (e) the subsequent transfers and changes of ownership thereof, as at the end of day 1 day prior to the start of the book closure period or at the Record Date, as the case may be. This shall be the list which shall be considered for payment of interest and Redemption of Debentures.

1.3.3. The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Secured Assets and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Secured Assets and the business of the Company shall at reasonable times be open for inspection of the Trustee and such person or persons, as the Trustee shall, from time to time, in writing for that purpose appoint.

1.3.4. The Company shall comply with all applicable directions, regulations and guidelines issued by any Governmental Authority including but not limited to the issue of Debentures.

1.3.5. So long as the Debenture Holder(s) continue to hold the Debentures, the Company agrees and undertakes to comply with all Applicable Laws including the Companies Act, 2013, all provisions of applicable SEBI regulations including SEBI (Debenture Trustee) Regulations, 1993 (as amended from time to time), SEBI (Issue and Listing of Non Convertible Securities) Regulations, 2008 (as amended from time to time), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the debt listing agreement entered into with the stock exchanges (where the Debentures are listed/ proposed to be listed). This Deed is also subject to such guidelines as may be issued by SEBI, Government of India, such other statutory or regulatory authorities from time to time.

1.3.6. The Company hereby declares that the Company is in compliance with the provisions of the Foreign Account Tax Compliance Act (“**FATCA**”) and the Company hereby undertakes to ensure the compliance of the provisions of the FATCA at all times during the currency of the Debentures. The Company agrees to provide the respective authorities with any documentation or information requested relating to self or beneficiary or related Tax entity to the extent required by the Debenture Trustee for meeting its compliances. The Company agrees that it will provide a copy of the documents provided to the Tax authorities to the Debenture Trustee for its records. Further, the Company shall indemnify and hold harmless the Debenture Trustee for any penal consequence arising due to non-compliance of the aforesaid provision by the Company.

1.3.7. The Company shall insure and keep insured up to the replacement value thereof or on such other basis as approved by the

	Trustee, the Secured Assets against fire, theft, lightning, explosion, earthquake, strike, lock out, civil commotion, storm, tempest, flood, marine risk, erection risk, war risk and other risk as may be specified by the Trustee and shall duly pay all premium and other sums payable for the purpose. 1.3.8. The Company shall pay and discharge all Taxes, rates, rents and governmental charges upon the Company or its assets under Applicable Laws. 1.3.9. The Company shall transfer unclaimed interest/dividend to “Investor Education and Protection Fund” as per Section 125 of the Companies Act 2013 and shall not forfeit unclaimed interest/dividend. 1.3.10. The Company shall invest or deposit of sum in respect of debentures maturing during the year ending on the 31st day of March of next year as per the provisions of Act read with rules made thereunder or any regulations or guidelines issued by SEBI, if applicable The Company shall intimate the trustee on or before the 30th day of April in each year in respect of investments or deposits made as per Rule 18(7)(b)(v) of the Companies (Share Capital and Debentures) Rules, 2014 as amended from time to time. 1.3.11. The Company shall create and maintain a reserve to be called the “Recovery Expense Fund” as per the provisions of and in the manner provided in the SEBI (Debenture Trustee) Amendment Regulations, 2020, the SEBI REF Circular and any guidelines and regulations issued by SEBI, as applicable. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. The Company shall intimate the Trustee about creation and the form of such Recovery Expense Fund by the Company prior to the opening of the issue. The balance in the Recovery Expense Fund shall be refunded to the Company on repayment of Secured Obligations to the Debenture Holders for which a ‘No Objection Certificate (NOC)’ shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee(s) shall satisfy that there is no ‘default’ on any other listed debt securities of the Company before issuing the said NOC. 1.3.12. The Company hereby agrees and undertakes that, if during the currency of these presents, any further guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of Debenture Redemption Reserve and investment of the monies lying therein and/or Recovery Expense Fund, the Company shall duly abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Holder(s)/ Beneficial Owner(s) or the Trustee. 1.3.13. The Company shall take all steps for completion of the formalities for listing and commencement of trading at all the concerned stock exchange(s) in respect of the Debentures. 1.3.14. The Company shall ensure, and/or cause the Registrars to an issue and Share Transfer Agent to forward the details of Debenture Holder(s) to the Debenture Trustee at the time of allotment and thereafter by the seventh working day of every next month in order to enable
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	Debenture Trustee to keep its records updated and to communicate effectively with the Debenture Holders, especially in situations where Events of Default have occurred. 1.3.15. The Company hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations or to create a charge on the Secured Assets or there is a revision of rating assigned to the Debentures, the Trustee shall, be entitled to disclose the information to the Debenture Holder(s) and the general public by issuing a press release, placing the same on their websites and with the credit rating agencies. 1.3.16. The Company shall maintain a functional website containing correct and updated information as required by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other Applicable Laws. 1.3.17. The Company shall give an undertaking in the Shelf Placement Memorandum/Tranche Placement Memorandum / Prospectus / Offer Letter (as the case may be) that the Secured Assets are free from any encumbrances, and in cases where such assets are already charged to secure a debt, the permission or consent, where required to create a second or pari-passu charge on the Secured Assets has been obtained by the Company from its existing charge holders. 1.3.18. The Company hereby irrevocably and unconditionally appoints the Trustee to be the lawful attorney of the Company in the name and on behalf of the Company to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts of obligations declared or imposed upon the Company by these presents or of giving to the Debenture Holder(s)/ Beneficial Owner(s) or to the Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Trustee or any Receiver appointed by them. 1.3.19. The Company shall pay all such stamp duty as applicable on the Debentures and execution of this Deed and shall pay all such stamp duty (including any additional stamp duty, if any), other duties, Taxes, charges and penalties, if and when the Company may be required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Company failing to pay such stamp duty, other duties, Taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Trustee on demand. 1.3.20. The Company undertakes that it shall: a) at all times, obtain and maintain, or cause to be obtained and maintained, in full force and effect (or where appropriate, renew)
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	all clearances/ authorizations required for the purposes of the Project / business and all transactions as contemplated by the Transaction Documents, non-procuring or non-renewal whereof shall have a Material Adverse Effect. b) create all Security and execute all the Security Documents as may be required by the Trustee as per the terms hereof and shall ensure that all Transaction Documents, when executed, shall constitute its legal, valid and binding obligations under Applicable Law; c) attend to the complaints received in respect of the Debentures expeditiously and satisfactorily. d) if any of the Directors of the Company are added to any defaulter's list by any Governmental Authority, take immediate steps forthwith to remove such person from its Board. e) duly cause these presents to be registered in all respects so as to comply with the provisions of the Act and also cause these presents to be registered in conformity with the provisions of the Indian Registration Act, 1908 or any act, ordinance or regulation applicable in any part of India, within which any portion of the Secured Assets are or may be situated, by which the registration of deeds is required and generally do all other acts (if any) necessary for the purpose of assuring the legal validity of these presents. f) have no objection and hereby agrees, confirms and undertakes that in the event the Company has failed to make a timely Repayment of the Secured Obligations: (i) the Trustee shall, as the Trustee may deem appropriate and necessary, be entitled to disclose all or any: (1) information and data relating to the Company, (2) information or data relating to this Deed ; (3) default committed by the Company in discharge of the obligations under the Transaction Documents, to TransUnion CIBIL Limited ("CIBIL") and any other agency authorised in this behalf by RBI; (ii) CIBIL and / or any other agency so authorised may use, process the aforesaid information and data disclosed by the Trustee in the manner as deemed fit by them; (iii) CIBIL and / or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to the Trustee, and other credit grantors or registered users, as may be specified by RBI in this behalf; (iv) the Trustee and/or RBI will have an unqualified right to disclose or publish the details of the default and the name of the guarantor (including its directors) as the case may be, as defaulters, in such manner and through such medium as the Trustee or RBI in their absolute discretion may think fit; 1.3.21. The Company agrees that no immunity (if acquired) shall be claimed by it or on its behalf with respect to its assets in any proceedings in relation to its obligations under the Transaction Documents and shall waive any such right of immunity which it or its assets has or may acquire. The execution of this Deed constitutes, and the exercise of its rights and performance of and compliance with its obligations under this Deed will constitute, private and commercial acts done and performed for private and commercial purposes.
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	1.3.22. The Company declares and undertakes that it has obtained the necessary permissions as may be required, for entering into the Transaction Documents, and shall execute the same within the time frame prescribed under the relevant SEBI regulations and circulars and furthermore, shall submit such Transaction Documents to the stock exchange for uploading on its website (as applicable), within 5 (five) days of execution of the same. 1.4. <u>Information Covenants</u> The Company shall provide the relevant information set out in the Sixth Schedule hereto, in the manner and within the time period stipulated therein. 1.5. <u>Negative Covenants</u> 1.5.1. The Company shall not, without prior intimation to the Debenture Trustee, make any change in the nature and conduct of its business (from what is being carried out as on the date hereof) other than the objects as set out in its Memorandum of Association. 1.5.2. The Company shall not, without the prior consent of the Debenture Trustee, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise encumber or charge or dispose the Secured Assets or any part thereof; 1.5.3. The Company shall not make any material modification to the structure of the Debentures in terms of coupon, conversion, Redemption, or otherwise without the prior approval of the stock exchange and such prior approval of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately. 1.5.4. The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default. 1.5.5. The Company shall not, without the prior consent of the Debenture Trustee, directly or indirectly contract, create, incur, assume or suffer to exist any indebtedness or borrowing arrangement, either secured or unsecured, with any other bank, financial institution, company or otherwise or accept deposits, except as otherwise permitted herein. 1.5.6. The Company shall not create further charge or encumbrance of the Secured Assets other than the Permitted Security Interest, without prior approval of the Trustee and the Debenture Holder(s) /Beneficial Owners. 1.5.7. The Company shall not, without the prior consent of the Debenture Trustee, abandon or agree to abandon its [Project/ business].
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	1.5.8. The Company shall not, without the prior consent of the Debenture Trustee, carry out any amendments or alterations to the memorandum of association and articles of association, which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/impact the rights/interest of the Debenture Holders. 1.5.9. The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws. 1.6. <u>ENFORCEMENT AND REALISATION RELATED COVENANTS</u> 1.6.1 Trust of The Secured Assets The Secured Assets shall be and remain security to the Trustee for the due Repayment of the Secured Obligations, including the principal amount of the Debentures, together with redemption premium, if any, interest, Trustee's remuneration and all other monies payable under the Debentures and the Trustee shall permit the Company, until the happening of one or more of the events upon the `happening of which the Security shall become enforceable, to hold and enjoy the Secured Assets and to carry on therein and therewith the business authorised by the Memorandum of Association of the Company and upon the happening of any such event, the Trustee may (but subject to the provisions as applicable) in their discretion, and upon request in writing of the Majority Debenture Holders, enter upon or take possession of and/or receive the rents, profits and income of the Secured Assets or any of them or any part thereof and may at their discretion and shall upon request of the Debenture Holder(s)/Beneficial Owner(s) as mentioned above (subject to the provisions of section 69 of the Transfer of Property Act, 1882 in case of immovable properties) sell, call in, collect and convert into monies the same or any part thereof with full power to sell any of the Secured Assets either by public auction or private contract and either for a lump sum or a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon every such sale to make any special or other stipulations as to title or evidence or commencement of title or as to the removal of any property which may be sold separately or otherwise as the Trustee shall think proper and with full power to buy in or rescind or vary any contract for sale of the Secured Assets or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such acts, assurances and things as they shall think fit. PROVIDED ALWAYS that before making any such entry or taking possession as aforesaid or making any sale, calling in, collection or conversion under the aforesaid power in that behalf (hereinafter referred
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to as the "**Power of Sale**"), the Trustee shall give written notice of their intention to the Company. But the Trustee (acting on the instructions of the Special Majority of Debenture Holders) shall not be bound to give any such notice in any case where they shall certify, either before or after entry, that in their opinion further delay would imperil the interests of the Debenture Holder(s)/Beneficial Owner(s), or in any case where an order or resolution for the winding up of the Company shall have been made or passed. The Trustee shall not exercise the Power of Sale if in the case of such power arising by reason of any default in payment of any monies due in respect of the principal together with redemption premium, if any, or interest, the Company shall prove to the Trustee the payment of monies so in arrears within three months next after the notice has been given or if in the case of such power arising by reason of any provision as herein stated the Company shall, within 7 (seven) days of the receipt of a notice, remove, discharge or pay out any distress, execution or process or fully perform the covenants, conditions or provisions breached, if capable of being performed, or make good the breach thereof, or pay adequate compensation for such breach to the satisfaction of the Trustee and any compensation so paid to the Trustee shall be deemed to be part of the Secured Assets.

All the powers and provisions contained in or implied by these presents shall, notwithstanding anything contained herein or arising by virtue thereof or except in consultation with the Trustee, be subject to and *pari passu* with those of the Existing Encumbrances and the same shall not be exercised or enforced by the Trustee hereunder so as to in anyway prejudice the rights and interests of the existing chargeholders under their existing securities and except with the prior approval and consent of the existing chargeholders.

Trust of Proceeds of Sale/ Realisation out of The Secured Assets

The Trustee shall hold UPON TRUST the monies, received by them or the Receiver in respect of the Secured Assets or any part thereof arising out of :-

any sale, calling in, collection or conversion under the Power of Sale;
income, rent or profits arising in respect of the Secured Assets;
policy or policies of insurance;
compensation money in respect of any acquisition and requisition or nationalisation or take-over of the management of the Company;
any other realisation whatsoever;

and they shall, in the first place, by and out of the said monies, reimburse themselves and pay, retain or discharge all the costs, charges and expenses incurred in or about the entry, appointment of Receiver, calling in, collection, conversion or the exercise of the powers and trusts under these presents, including their, and the Receiver's remuneration as herein provided, and shall apply the residue of the said monies subject to the

	rights of the mortgagee as may be provided in a separate arrangement to be entered into between them and the Trustee: FIRSTLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), <i>pari passu</i>, of all arrears of interest including compound interest (which shall be deemed to accrue due from day to day) remaining unpaid on the Debentures held by them; SECONDLY in or towards payment to the Debenture Holder(s)/ Beneficial Owner(s), <i>pari passu</i>, of all principal amounts together with redemption premium, if any, owing on the Debentures held by them and whether the said principal amounts together with redemption premium, if any, shall or shall not then be due and payable; and THIRDLY in or towards payment of the surplus (if any) of such monies to the person or persons entitled thereto: <i>Provided</i> that, if the Trustee acting on the instructions of the Majority Debenture Holder(s), is of the opinion that it is expedient to do so, payments may be made on account of principal together with redemption premium, if any, before the whole or part of the interest due on the Debentures has been paid off, but such alteration in the order of payment of principal together with redemption premium, if any, and interest herein prescribed shall not prejudice the right of the Debenture Holder(s)/Beneficial Owner(s) to receive the full amount to which they would have been entitled if the ordinary order of payment had been observed or any less amount which sum ultimately realised from the security may be sufficient to pay. The Trustee shall not be affected by any notice, express or implied, of the right, title or claim of any Person to the said monies other than the Debenture Holder(s). <u>Power to Accumulate Proceeds</u> If, the amount of the monies at any time apportionable under Clause 1.6.2 hereof shall be less than 10% (ten percent) of the nominal amount of the Debentures then outstanding, the Trustee may, at their discretion, invest such monies in any one of the Authorised Investments herein authorised with power, from time to time, at its discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other fund for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay 10% (ten per cent) of the Debentures then outstanding and the accumulations and funds shall be applied in the manner aforesaid. Provided that the Trustee shall not be liable for any loss which may be occasioned by any investment or variation thereof made by them pursuant to this Clause.
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Investment of Capital Monies

Subject as aforesaid, the Trustee shall invest the net capital monies referred to in Clauses 1.6.2 and 1.6.3 above, upon some or one of the Authorised Investments or place the same upon deposit or in current account in the name of the Trustee with any scheduled bank or banks with power from time to time to vary such investments and with power from time to time at their discretion to resort to any such investments for any of the purposes for which such proceeds are under these presents authorised to be expended. Provided however that any such monies including the Authorised Investments shall be held by the Trustee solely in trust for the benefit of the Debenture Holder(s).

Authorised Investments

Any monies which are under the trust or powers herein contained ought to be invested by the Trustee may be invested in the name of the Trustee in any of the investments by law authorised for investment of Trust monies for the time being in force in India (“**Authorised Investments**”) with power to vary and transpose such investments and in so far as the same shall not be invested shall be placed on deposit in the name of the Trustee in scheduled bank or banks.

Notice Before Payment

The Trustee shall give not less than 14 days’ notice to the Debenture Holder(s)/Beneficial Owners(s) under Clauses 1.6.2 and 1.6.3 hereof and after the day so fixed, the Debenture Holder(s)/Beneficial Owners(s) of each outstanding Debenture shall be entitled to interest on the balance only (if any) of the principal moneys due on such Debentures held by them after deducting the amount (if any) payable in respect of the principal thereof on the day so fixed.

Memorandum of Part Satisfaction

Upon any payment under 1.6.2 and 1.6.3 above, not amounting to complete payment of all principal amounts and interest due thereon, the Debentures in respect of which payment is made shall be produced to the Trustee who shall cause a memorandum of the amount and date of payment to be endorsed thereon. The Trustee may, in their discretion, dispense with the production and endorsement of Debentures as aforesaid, in any special case upon such indemnity as the Trustee may think fit.

Receipt of Debenture Holder(s)

The receipt of each holder/owner of the Debentures (s) or if there be more than one holder(s)/owner(s) of any such Debentures, then the receipt of any one of such holder(s)/owner(s) or of the survivors or survivor for the

principal monies and interest payable in respect of each of such Debenture shall be a good discharge to the Trustee.

Purchasers and Persons dealing with Trustee Not Put on enquiry

No purchaser, mortgagor, mortgagee or other person dealing with the Trustee or any Receiver appointed by them or their attorneys or agents shall be concerned to inquire whether the power exercised or purported to be exercised has become exercisable or whether any money remains due on the Security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall have been made or otherwise as to the propriety or regularity of any sale, calling in, collection or conversion or to see to the application of any money paid to the Trustee or Receiver and in the absence of *mala fides* on the part of such purchaser, mortgagor, mortgagee or other person such dealing shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and be valid and effectual accordingly and the remedy of the Company or its assigns in respect of any impropriety or irregularity whatsoever in the exercise of such power shall be in damages only.

Receipt of Trustee to be Effectual Discharge

Upon any such sale, calling in collection or conversion as aforesaid and upon any other dealing or transaction under the provisions herein contained the receipt of the Trustee for the purchase money of any of the Secured Assets sold and for any other monies paid otherwise howsoever to them shall effectually discharge the purchaser or purchasers or person paying the same there from and from being concerned to see to the application or being answerable for the loss or misapplication or non-application thereof.

Application To Court

The Trustee may at any time after the security hereby constituted becomes enforceable apply to the Court for an order that the powers and trusts hereof be exercised and carried into execution under directions of the Court and for the appointment of a Receiver(s) and manager of the Secured Assets or any of them and for any other order in relation to the execution and administration of the powers and trusts hereof as the Trustee shall deem expedient and they may assent to or approve of any application to the Court made at the instance of any of the Debenture Holder(s)/Beneficial Owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such application or proceeding.

INFORMATION COVENANTS

The Company shall at the end of every calendar quarter within 45 days of the respective quarter or within 7 days of the relevant Board meetingⁱ whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the followingⁱⁱ:

Updated list of names and addresses of all the Debenture Holder(s) and the number of Debentures held by the Debenture Holder (s)/Beneficial Owner(s);

Details of interest due but unpaid, if any, and reasons for the same;

Details of payment of interest made on the Debentures in the immediately preceding calendar quarter;

The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the Debenture Holder(s) during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and

Statement that the Security is sufficient to discharge the claims of the Debenture Holder(s) as and when they become due.

The Company shall also submit a certificate from a statutory auditor for every second fiscal quarter and fourth fiscal quarter certifying the value of book debts/receivables and maintenance of the Security Coverage Ratio, as per the terms of Information Memorandum and this Deed including compliance with the covenants of the Information Memorandum and any other covenants in respect of listed non-convertible debt securities in the manner as may be specified by SEBI from time to time.

The Company shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:

at the end of each year, a certificate from the statutory auditors with respect to the use of the proceeds raised through the issue of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized;

by no later than 30 (thirty) days from the Deemed Date of Allotment or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Company confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the timelines prescribed under the Applicable Laws;

at the end of every year from the Deemed Date of Allotment, a certificate from a practicing chartered accountant/registered valuer confirming the value of the Secured Assets, and a half-yearly certificate alongwith half yearly results from the statutory auditor regarding maintenance of hundred percent asset cover or asset cover as per the terms of Shelf Placement Memorandum/Tranche Placement Memorandum and/or this

	Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results; upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a failure to create charge on the Secured Assets, or there is a breach of any covenants, terms or conditions by the Company in relation to the Debentures under any Transaction Documents; a copy of all notices, resolutions and circulars relating to: new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities; (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings; f) intimation to the Debenture Trustee (alongwith the stock exchange), if any of the following proposals being placed before the Board: (iii) any alteration in the form or nature or rights or privileges of the Debentures; (iv) any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or (v) any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered. 3. The Company shall promptly inform the Debenture Trustee the status of payment (whether in part or full) of Debentures within 1 (one) working day of the payment / Redemption. While intimating the Debenture Trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository. 4. Promptly within 2 (two) days of the interest or principal or both becoming due, the Company shall submit a certificate to the stock exchange(s) alongwith the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website. 5. If default in payment of Debentures is continuing, the Company shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of April of each financial year, alongwith the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Company shall also intimate
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	the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of such development. The aforementioned intimations shall be submitted until the Secured Obligations are fully discharged or satisfied. The Company shall provide an undertaking to the Stock Exchange(s) on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and SEBI (Issue and listing of Non Convertible securities) Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records. 6. The Company shall promptly inform the Debenture Trustee the following details (if any): a) corporate debt restructuring, b) fraud/default by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and / or reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company. The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information alongwith the Debenture Trustee's letter of noting of the said information: Credit rating of the Debentures or change in credit rating; Nature, extent of the Security and security cover available for the Debentures; Debt-equity ratio; Previous due date for the payment of interest/principal and whether the same has been paid or not; Next due date for the payment of interest/principal; Debt service coverage ratio; Interest service coverage ratio; Net worth; Net profit after tax; Earnings per share; A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures. The Company shall notify the Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence. The Company shall furnish to the Trustee details of all grievances received from the Debenture Holder(s)/ Beneficial Owner(s) and the steps taken by the Company to redress the same. At the request of any Debenture Holder(s)/ Beneficial Owner(s), the Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holder(s)/ Beneficial Owner(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s). To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence
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and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:

Reports/Certificates	Timelines for submission requirements by Company to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
Asset cover certificate	Quarterly basis within 30 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law
A statement of value of pledged securities		
A statement of value for Debt Service Reserve Account or any other form of security offered		
Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 30 days from end of each half-year or within such timelines as prescribed under Applicable Law	Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law.
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)	Annual basis within 45 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.
Valuation report and title search report for the immovable/movable assets, as applicable		

11. The Company shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

	12. The Company shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company. 13. The Company shall promptly supply certified copies to the Trustee of any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents. 14. The Company shall supply to the Debenture Trustee a copy of annual report 15. The Company shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests), half yearly financial results within forty five (45) days from the end of the each half year. 16. In case of initiation of forensic audit (by whatever name called) in respect of the Company, the Company shall provide following information and make requisite disclosures to the stock exchanges: (i) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and (ii) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any. 17. The Company shall promptly provide or inform the Debenture Trustee the details of all orders, directions, notices, of any court / Tribunal affecting or likely to affect the Secured Assets. 18. The Company shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the time lines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law. 19. The Company shall furnish the following to the Debenture Trustee: (a) its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year; (b) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law; (c) a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of
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	Debentures as and when such proceeds have been completely deployed toward the proposed end-uses; (d) such information in relation to the Secured Assets that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the Security Coverage Ratio and shall also submit to the Debenture Trustee a certificate from the director/ managing director of the Company on half-yearly basis, certifying the value of the identified receivables as agreed in the Transaction Documents; (e) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230. 20. The Company shall: supply to the Trustee (with sufficient copies for all Debenture Holder(s) if the Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched; promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of any event which may have a Material Adverse Effect; promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Company to abandon the business; at the end of every financial year, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), a certificate from a statutory auditor confirming the due maintenance of a Debenture Redemption Reserve as per the provisions of Applicable Law; promptly, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Trustee, accompanied (where relevant) by a specimen signature of each new signatory; forthwith give, notice in writing to the Trustee of commencement of any proceedings directly affecting the Secured Assets. Issuer shall adhere to following covenants ;
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	To meet the Minimum Security Cover requirement – Minimum Security cover of 1x shall be maintained To maintain total Capital Adequacy above 15% To maintain Gross NPA of the Issuer below 9.5% To maintain Net Stage 3 of the Issuer below 8% Assets and liability management as per the prevalent RBI regulations. Covenants to be tested on quarterly basis. Noncompliance of information/ reporting covenants for the financial covenants for more than 45 days (cure period) from the date of reporting such event, shall be treated as an Event of Default. Other than as disclosed in the Shelf Placement Memorandum, there are no other covenants.
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Shelf Placement Memorandum.	The principal amount of the Debentures together with Coupon thereon, subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by a Specific and exclusive charge on the receivables of Secured Assets of the Company that are current and standard (excluding receivables specifically and exclusively charged in favor of certain existing charge holders), to be created in favor of the Debenture Trustee, and to be specifically set out and described in the Debenture Trust Deed cum Deed of Hypothecation and the Security Documents, such that a security cover of 100% of the outstanding principal amounts of the Debentures and coupon thereon is maintained at all time until the Maturity Date. The value of receivables to be determined based on the net exposure outstanding and be reviewed on a quarterly basis to maintain minimum cover of 100%. The Company undertakes to maintain Minimum Security Cover of 1 time, to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs. Non-Maintenance of minimum-security cover as mentioned above will attract 2% p.a. penalty over and above the coupon rate as specified in the term sheet for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed one month from the day such cover falls below the required cover. The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the maintenance of Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee. The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation before making listing application to stock exchange. In case of delay in execution of the Debenture Trust Deed the company will refund the subscription (i.e. redemption at par) along with other monies/ accrued interest due in respect thereof or will pay penal interest of 2% p.a.

	over and above the Coupon Rate for the delayed period till the execution is complete, at the option of the debenture holders.
Transaction Documents	Debenture Trustee Agreement; Information Memorandum; Debenture Trust Deed, Security Document, if any Such other documents as agreed between the Issuer and the Debenture Trustee.
Condition Precedent to Disbursement	The Issuer shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture prior to the Payin Date: All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed Receipt of the Rating Rationale from Credit Rating Agency, confirming the Target Rating; Receipt of the BSE in-principal approval letter on or prior to the Deemed Date of Allotment; Execution of the Debenture Trustee Agreement Due diligence certificate from Debenture Trustee confirming “Issuer has obtained the permissions / consents necessary for creating security on the said property(ies)” Others as finalised during documentation.
Condition Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/activities Are completed as per the time frame stipulated in the Debenture Trust Deed: The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (days) Business Days of the Deemed Date Of Allotment Return of Allotment in Form PAS-3 to filed within 15 (Fifteen) days from the Deemed date of allotment; Issuer shall obtain final listing approval from BSE within 4 trading days from the date of closure of issue The Issuer shall ensure compliance with SEBI Regulations / Companies Act 2013 (as applicable) for issuance of NCDs; Within the timeline set under applicable law or the timelines as agreed between the Debenture Trustee and the Company, whichever is earlier, execute the Debenture Trust Deed cum Deed of Hypothecation, and any other documents as may be required by the Debenture Trustee. Other conditions as detailed in the Transaction Documents.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents: If the Company defaults in making repayment of the Coupon and/or the Redemption Amount(s) on the respective Due Date(s) in full or in part, (whether at scheduled maturity, by acceleration, as a result of Debenture Holder(s) exercising the Optional Accelerated Redemption or otherwise).

	Default shall have occurred in the performance of any material covenants (including Financial, Negative & maintenance of minimum Security Cover covenants) conditions or agreements on the part of the Company other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/Beneficial Owner(s)/ Debenture Trustee <u>Security is in jeopardy</u> When the Company creates or attempts to create any charge on the Secured Assets or any part thereof, other than the Permitted Security Interest, without the prior approval of the Trustees/Debenture Holder(s) or the Security Coverage Ratio is not maintained by the Company; subject to non-maintenance of asst cover clause as mentioned below The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee / Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made. Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer The Company has taken or suffered to be taken any action for re-organization of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders; Promoters or key management personnel of the Issuer being declared wilful defaulter The promoter's and/or the directors of the Issuer are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter's and/or director, including any accusations, charges and/or convictions of any offence relating to bribery There shall have occurred Material Adverse Effect and such Material Effect has not been remedied or rectified within period of 30 (Thirty) calendar days. Any corporate action, legal proceedings or other procedure or step is taken in relation the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company; composition, compromise, assignment or arrangement with any creditor of the Issuer;
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	the appointment of a liquidator, receiver or similar other officer in respect of the Issuer, a composition, compromise, assignment or arrangement with any creditor of the Issuer, enforcement of any assets of the Issuer or any analogous procedure or step is taken in any jurisdiction any other event occurs or proceeding is instituted that under any applicable law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above. Erosion of 50% or more of the Issuer's net worth from the Net-worth on Deemed Date of Allotment'. The Shelf Placement Memorandum/Tranche Placement Memorandum or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Issuer. It is or becomes unlawful for the Issuer to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Issuer under any Transaction Document are not or cease to be valid, binding or enforceable. The Issuer repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents. Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets of the Company or of its share capital, or takes any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or a substantial part of its business or operations. The Issuer's organizational status or any licenses or franchise is revoked or suspended by any government agency or authority after the Issuer has exhausted all remedies and appeals relating thereof. The Listing of the Debentures ceases or is suspended at any point of time prior to the Maturity Date, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holder(s) The Issuer ceases to carry on its business or any substantial part thereof or gives notice of its intention to do so. Occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. Change in Promoter and/or Management Control without prior written consent from the Debenture Holders Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit
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	of its creditors generally and such proceeding is not stayed, quashed or dismissed within 15 (Fifteen) days Any reference to Insolvency and Bankruptcy Code /by any financial creditor(s)/other entities, Cross default: An event of default shall arise if the Issuer defaults in any payment of Financial Indebtedness beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created; or defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such Indebtedness to become due prior to its stated maturity; or due to any default or an event of default, any Financial Indebtedness of the Issuer is declared to be due and payable, or would permit to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity hereof. Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the majority Debenture Holder/s may deem fit. The details with respect to same shall be specifically mentioned in the Debenture Trust Deed.
Creation of recovery expense fund	The Issuer had created recovery expense fund in the manner as may be specified by SEBI from time to time and same shall be informed to the Debenture Trustee. The recovery expense fund shall be utilised for the activities as may be permitted by the applicable regulations
Conditions for breach of covenant (as specified in the Debenture Trust Deed)	(a) The Trustee may, with the consent of all the Debenture Holder(s)/ Beneficial Owner(s), at any time, waive on such terms and conditions as it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Trustee or the Debenture Holder(s)/ Beneficial Owner(s) in respect of any subsequent breach thereof. (b) 4.2 Consequences of Events of Default Upon the occurrence of any Event of Default and the expiry of cure periods where applicable, all outstanding amounts on the debentures shall stand accelerated and become payable forthwith 4.2.1 After the occurrence of an Event of Default under Clause 4.1 above, and the expiry of cure periods (if any) the Debenture Trustee shall send a notice to the Debenture Holder(s) (along with a copy to the Company) within 3 (three) days of the Event of Default by registered post

	/ acknowledgement due or speed post / acknowledgement due or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained. 4.2.2 The notice shall contain the following: (a) request for negative consent for proceeding with the enforcement of security; (b) request for positive consent for signing of the ICA; (c) the time period within which the consent needs to be provided by the Debenture Holder(s), viz. consent to be given within 15 days from the date of notice or such revised timelines as prescribed under Applicable Law; and (d) the date of meeting to be convened (which shall be within 30 days of the occurrence of Event of Default). Provided that in case the Event of Default is cured between the date of notice and the date of meeting, then the convening of such a meeting may be dispensed with. <i>[Note: It is clarified that in case of Public Issue, the notice sent by the Debenture Trustee(s) pursuant to Clause 4.2.1 above shall not contain the consent as per sub-clause 4.2.2 (a) and the requirement to convene a meeting for enforcement of security, as per sub-clause 4.2.2(d) above.]</i> 4.2.3 The Debenture Trustee shall take necessary action of either enforcing the Security or entering into the ICA or take any other action as decided in the meeting of Debenture Holder(s) based on the decision of the Debenture Holder(s) with Special Majority, including the decision of formation of a representative committee of the Debenture Holder(s) to participate in the ICA or to enforce the Security or as may be decided in the meeting of Debenture Holder(s). Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the Debentures and be responsible to take decisions [which shall be binding on the specific ISIN level Debenture Holder(s) relating to ICA matters, or in relation to enforcement of the Security, or take any other action as may be decided by the Debenture Holder(s), from time to time. The Debenture Trustee(s) may in accordance with the decision of the Debenture Holder(s), sign the ICA and consider the resolution plan, if any, on behalf of the Debenture Holder(s)/ Beneficial Owners in accordance with the requirements under the extant RBI guidelines, SEBI circulars, guidelines and other Applicable Laws. 4.2.4 The Trustee shall also have the following rights (notwithstanding anything in these presents to the contrary):
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	(a) to enter upon and take possession of the Secured Assets as per the provisions of this Deed; (b) to enforce any Security created pursuant to the Security Documents in accordance with the terms thereof, as may be set out therein, towards Repayment of the Secured Obligations; (c) to transfer the Secured Assets of the Company by way of lease/sub-lease or license or sale upon occurrence of Event of Default in accordance with the terms hereof; (d) to appoint a nominee director as per the SEBI (Debenture Trustee) Regulations, 1993 on the board of directors of the Company or to appoint an observer to all meetings of the board of directors of the Company, in the manner more particularly set out in Clause 10.22 of this Deed; (e) to initiate any enforcement action including without limitation under SARFAESI Act, 2002, Insolvency and Bankruptcy Code, 2016 (wherever applicable), sale without intervention of Court under Section 69 of Transfer of Property Act, 1882 or any other Applicable Law; (f) to levy default interest on overdue amounts as per the terms of issue; and (g) to exercise such other rights as the Debenture Holder(s) may deem fit under Applicable Law. 4.2.5 The Debenture Trustee after obtaining consent of Debenture Holder(s) for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund towards enforcement of Security. 4.2.6 All expenses over and above those met from the Recovery Expense Fund incurred by the Beneficial Owners(s)/Trustee after an Event of Default has occurred in connection with:- (a) preservation of the Secured Assets (whether then or thereafter existing); and (b) collection of amounts due under this Deed, shall be payable by the Company. 4.2.7 Without prejudice to the obligation of the Trustee to monitor the Security Coverage Ratio and the Security in respect of the Debentures and to take necessary enforcement actions in accordance with the Transaction Documents, it is hereby clarified that the Trustee shall not be liable in any manner to guarantee the recovery of the entire outstanding amounts in relation to the Debentures.
EBP Process	Issue and Payment Procedure • Bidding Process All Eligible Participants are required to apply for the Issue and make payment of the full application amount in accordance with the Bidding Process outlined in the Disclosure Document. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 or such other circular issued from time to time.

- **Manner of settlement**

Settlement of the Issue will be done through the [escrow account of the Issuer / ICCL] and the account details are given in the section on ‘Payment Mechanism’ of this Disclosure Document.

- **Provisional or Final Allocation**

Allocation shall be made on a pro rata basis in the multiples of the bidding lot size, i.e., in multiples of ` 10,00,000 (Rupees Ten Lakhs Only). Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EBP platform. Post receipt of details of the successful bidders, the Issuer will upload the final allocation file on the BSE-EBP platform.

- **Payment Mechanism**

Payment of subscription money for the Bonds should be made by the Identified Investors as notified by the Issuer.

The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL).

List of Designated Banks is as under:

	ICICI BANK	YES BANK	HDFC BANK
Beneficiary Name	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd	Indian Clearing Corporation Ltd
Account Number	ICCLEB	ICCLEB	ICCLEB
IFSC Code	ICIC0000106	YESB0CMSNO C	HDFC0000060
Mode	RTGS	RTGS	RTGS

Successful bidders must do the subscription amount payment to the Designated Bank Account on or before 10:30 a.m. on the Pay-in Date (“**Pay-in Time**”). Identified Investors should ensure to make payment of the subscription amount for the Bonds from their same bank account which is updated by them in the BSE EBP platform while placing the bids. In case of mismatch in the bank account details between BSE - EBP platform and the bank account from which payment is done by the successful bidder, the payment would be returned.

Note: In case of failure of any Identified Investor to complete the subscription amount payments by the Pay-in Time or the funds are not received in the Designated Bank Account by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer shall not be liable to issue Bonds to such Identified Investors.

	• Settlement Process Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issue shall instruct the Depositories on the Pay-In Date, and the Depositories shall accordingly credit the allocated Bonds to the demat account of the successful bidder. The Company shall give the instruction to the Registrar for crediting the Debentures by 2.00 p.m. on the Pay-In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 2.00 p.m. on the Pay-In Date. On the Pay-In Date, the Depositories shall confirm to the Issuer the transfer of Bonds in the demat account(s) of the successful bidder(s).
Method of Allotment	Uniform Yield
Bid Timing	10.00 AM to 12.00 PM
Settlement cycle	T+1
Manner of Bidding	Open
Settlement Through	ICCL
Terms and conditions of debenture trustee agreement including fees charged by Debenture Trustees(s). details of security to be created	Please refer to Annexure G Debenture Trustee Agreement has been executed as per required regulation on February 15, 2022 i.e. before opening of the issue. The Debenture Trustee Fees is levied by the Trustee vide their communication dated April 5, 2021 as agreed by both the parties.
Indemnification	The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Arbitration	In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed mutually by the Investor and Issuer, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Chennai. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/consultants. Such costs include: Trustee fees Rating fees Stamping and registration costs in relation to all Transaction Documents Any other reasonable transaction related expense incurred by the Debenture Holders.
Taxes, Duties, Costs and	Relevant taxes, duties and levies are to be borne by the Issuer.

Expenses	The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Bank Account details in case of application amount remitted by Real Time Gross Settlement (RTGS)	Name of the Bank - Axis Bank Ltd Bank Branch – R.K. Salai Branch, Mylapore, Chennai Account Number – 913020045382436 IFSC Code – UTIB0000006
Documents	Copy of Board Resolution for NCD. Copy of Shelf Placement Memorandum/Tranche Placement Memorandum
Trustees	Catalyst Trusteeship Limited
Compliance	Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Escrow Account	In the event SCUF Rating Downgrades to A+ / Negative, the Company agrees to fund NCD redemption in the Escrow account in favour of Debenture Trustee (on behalf of the debenture holder/s) within 17 (Seventeen) calendar days from the date of such downgrade. This escrow account to be opened only at two notch rating downgrade.

Amount 18000,00,000
 Roi 9.00%
 Tenor 10 Yrs

Int Payment Date	Principal	Interest	Cash Flow	POS
Tuesday, 22 February, 2022				18000,00,000
Wednesday, 22 February, 2023		1620,00,000	1620,00,000	18000,00,000
Thursday, 22 February, 2024		1620,00,000	1620,00,000	18000,00,000
Saturday, 22 February, 2025		1620,00,000	1620,00,000	18000,00,000
Sunday, 22 February, 2026		1620,00,000	1620,00,000	18000,00,000
Monday, 22 February, 2027		1620,00,000	1620,00,000	18000,00,000
Tuesday, 22 February, 2028		1620,00,000	1620,00,000	18000,00,000
Thursday, 22 February, 2029		1620,00,000	1620,00,000	18000,00,000
Friday, 22 February, 2030		1620,00,000	1620,00,000	18000,00,000

Saturday, 22 February, 2031		1620,00,000	1620,00,000	18000,00,000
Sunday, 22 February, 2032	18000,00,000	1620,00,000	19620,00,000	-

For Shriram City Union Finance Limited

Authorised Signatory

Place: Chennai

Date: February 15, 2022

BSE LTD
ACKNOWLEDGEMENT

Acknowledgement No	: 2101202205215331	Date & Time : 21/01/2022 05:21:53 PM
Scrip Code	: 532498	
Entity Name	: Shriram City Union Finance Limited	
Compliance Type	: Regulation 31 - Shareholding pattern	
Quarter / Period	: 31/12/2021	
Mode	: E-Filing	

Welcome to NSE Electronic Application Processing System (NEAPS)

Shriram City Union Finance Limited

Welcome SHRIRAMCITY

31-Jan-2022 12:46:57 PM

Customize Menu

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NEAPS > Compliance > Periodic Compliances > Shareholding Pattern > SHP Submission > Click Here

Submitted

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General Details

Shareholding Pattern

Symbol
SHRIRAMCIT

Regulation
Reg 3(b)

ISIN Script Code *
532498

If ISIN Script Code is not applicable, dummy value shall be '000000'

Company Remarks for Exchange

Whether company is public sector undertaking (PSU)?
No

Company Name
Shriram City Union Finance Limited

Type of report
Quarterly

NSE Symbol *
NOTUSTED

If NSE Symbol is not applicable, dummy value shall be 'NOTUSTED'

Company Remarks for Website
A. Promoter: Shriram Capital Limited, B. Promoter Group: 1. Shriram Financial Ventures (Chennai) Private Limited 2. Shriram Ownership

ISIN Code *
INE722A01011

Quarter Ended*
31-Dec-2021

Class of Security *
Equity Shares

Exchange Remarks

Type here to search

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31-01-2022

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General information about company

Scrip code	532498
NSE Symbol	SHRIRAMCIT
MSEI Symbol	NOTLISTED
ISIN	INE722A01011
Name of the company	Shriram City Union Finance Limited
Whether company is SME	No
Class of Security	Equity Shares
Type of report	Quarterly
Quarter Ended / Half year ended/Date of Report (For Prelisting / Allotment)	31-12-2021
Date of allotment / extinguishment (in case Capital Restructuring selected) / Listing Date	
Shareholding pattern filed under	Regulation 31 (1) (b)
Whether the listed entity is Public Sector Undertaking (PSU)?	No

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Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non Promoter- Non Public
1	Whether the Listed Entity has issued any partly paid up shares?	No	No	No	No
2	Whether the Listed Entity has issued any Convertible Securities ?	No	No	No	No
3	Whether the Listed Entity has issued any Warrants ?	No	No	No	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?	No	No	No	No
5	Whether the Listed Entity has any shares in locked-in?	No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No		
7	Whether company has equity shares with differential voting rights?	No	No	No	No
8	Whether the listed entity has any significant beneficial owner?	No			

Table 1 - Summary Statement holding of specified securities

Note : Data will be automatically populated from shareholding pattern sheet - Data Entry Restricted in this sheet

Category ry (i)	Category of shareholder (ii)	Nos. Of shareholders (iii)	No. of fully paid up equity shares held (iv)	No. Of Partly paid-up equity shares held (v)	No. Of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (XI)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (XI) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII)= (vii)+(X) As a % of (A+B+C2)	Number of Locked in shares (xiii)		Number of Shares pledged or otherwise encumbered (xiii)		Number of equity shares held in dematerialized form (xiv)	
								No of Voting (XIV) Rights			Total as a % of (A+B+C)					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
								Class eg: X	Class eg:Y	Total											
(A)	Promoter & Promoter Group		2	22859977		22859977	34.46	2,28,59,977.00		22859977.00	34.46				34.46						22859977
(B)	Public		29402	43468788		43468788	65.54	43468788.00		43468788.00	65.54				65.54						43352020
(C)	Non Promoter- Non Public																				
(C1)	Shares underlying DRs																				
(C2)	Trusts																				
	Total		29404	66328765		66328765	100	66328765.00		66328765.00	100.00				100						66211997

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Searial No.	Category	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (XI) (a)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	Shareholder type
								No of Voting (XIV) Rights		Total as a % of Total Voting rights					
								Class eg: X	Total						
A1(d)	Any Other (specify)														
	Add Delete														
1	Bodies Corporate	SHRIRAM CAPITAL LIMITED	AABCS2726B	1	22371594	22371594	33.73	22371594.00	22371594.00	33.73		33.73	22371594		Promoter
2	Bodies Corporate	SHRIRAM FINANCIAL VENTURES (CHENNAI) PRIVATE LIMITED	AAPCS5667M	1	488383	488383	0.74	488383.00	488383.00	0.74		0.74	488383		Promoter Group
	Click here to go back	Total		2	22859977	22859977	34.46	22859977.00	22859977.00	34.46		34.46	22859977		

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Serial No.	Name of the Shareholders (I)	PAN (II)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN
						No of Voting (XIV) Rights		Total as a % of Total Voting rights			
						Class eg: X	Total				
B1(a)	Mutual Funds										
Add Delete Disclosure of shareholder holding more than 1% of total number of shares											
1	KOTAK MAHINDRA TRUSTEE CO LTD (Under	AAATK4475F	1143660	1143660	1.72	1143660.00	1143660.00	1.72	1.72	1143660	
2	SBI MUTUAL FUND (Under Different sub acc	AABTS6407Q	723139	723139	1.09	723139.00	723139.00	1.09	1.09	723139	
Click here to go back			Total	1866799	1866799	2.81	1866799.00	1866799.00	2.81	1866799	

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Searial No.	Name of the Shareholders (I)	PAN (II)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN
						No of Voting (XIV) Rights		Total as a % of Total Voting rights			
						Class eg: X	Total				
B1(e)	Foreign Portfolio Investors										
	AddDelete	Disclosure of shareholder holding more than 1% of total number of shares									
1	EAST BRIDGE CAPITAL MASTER FUND LIMITED	AACCE9888M	1861381	1861381	2.81	1861381.00	1861381.00	2.81	2.81	1861381	
2	EAST BRIDGE CAPITAL MASTER FUND I LTD	AAECE8814F	1612634	1612634	2.43	1612634.00	1612634.00	2.43	2.43	1612634	
3	ARKAIG ACQUISITION (FPI) LTD	AANCA9067D	1611969	1611969	2.43	1611969.00	1611969.00	2.43	2.43	1611969	
4	WF ASIAN RECONNAISSANCE FUND LIMITED	AABCW5771E	1601597	1601597	2.41	1601597.00	1601597.00	2.41	2.41	1601597	
5	WF ASIAN SMALLER COMPANIES FUND LIMITED	AAACW5648R	1516817	1516817	2.29	1516817.00	1516817.00	2.29	2.29	1516817	
6	MATTHEWS INDIA FUND	AABTM6157F	1100949	1100949	1.66	1100949.00	1100949.00	1.66	1.66	1100949	
7	MATTHEWS EMERGING MARKETS SMALL CAP FUND	AACTM1751A	931956	931956	1.41	931956.00	931956.00	1.41	1.41	931956	
8	ACACIA PARTNERS, LP	AALFA7272K	863948	863948	1.30	863948.00	863948.00	1.30	1.30	863948	
9	BANK MUSCAT INDIA FUND	AADCB4040P	844893	844893	1.27	844893.00	844893.00	1.27	1.27	844893	
Click here to go back		Total	11946144	11946144	18.01	11946144.00	11946144.00	18.01	18.01	11946144	

Serial No.	Category	Category / More than 1 percentage	Name of the Shareholders (I)	PAN (II)	No. of the Shareholders (I)	No. of fully paid up equity shares held (IV)	Total nos. shares held (VII) = (VI)+(V)+(VIII) As a % of (A+B+C2)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII) = [(VII)X] As a % of (A+B+C2)	Number of equity shares held in dematerialized form (XIV)	Reason for not providing PAN	
									No of Voting (XIV) Rights		Total as a % of Total Voting rights				
									Class eg: X	Total					
B3(e) Any Other (specify)															
Add Delete															
1	Overseas Corporate Bodies	More than 1 percentage of shareholding	DYNASTY ACQUISITION (FPI) LTD	AAFCDD1091G	1	13421889	13421889	20.24	13421889	13421889	20.24	20.24	13421889		
2	Bodies Corporate	More than 1 percentage of shareholding	PIRAMAL ENTERPRISES LIMITED	AAACN4538P	1	6579840	6579840	9.92	6579840	6579840	9.92	9.92	6579840		
3	Clearing Members	Category			41	11895	11895	0.02	11895	11895	0.02	0.02	11895		
4	Bodies Corporate	Category			128	6693258	6693258	10.09	6693258	6693258	10.09	10.09	6691308		
5	Others	Category	FOREIGN INSTITUTIONAL INVESTORS		1	8216	8216	0.01	8216	8216	0.01	0.01	8216		
6	Foreign Portfolio Investor (Category - III)	Category			1	280	280	0.00	280	280	0.00	0.00	280		
7	LLP	Category			8	12720	12720	0.02	12720	12720	0.02	0.02	12720		
8	Non-Resident Indian (NRI)	Category			312	69332	69332	0.10	69332	69332	0.10	0.10	68707		
9	Trusts	Category			1	22	22	0.00	22	22	0.00	0.00	22		
10	IEPF	Category			1	60730	60730	0.09	60730	60730	0.09	0.09	60730		
11	Unclaimed or Suspense or Escrow Account	Category			1	475	475	0.00	475	475	0.00	0.00	475		
						Click here to go back	Total	494	6856928	6856928.00	10.33	6856928.00	6856928.00	10.33	6854353

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Details of Shares which remain unclaimed for Public				
Serial No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public
Add Delete			Click here to go back	
1	8	475		

Annexure B

Details of secured Loan facilities

A. Term Loans as on Dec 31, 2021

S. no.	Name of lender	Amount sanctioned (Rs. in Lacs)	Amount outstanding (Rs. in Lacs)	Repayment date/ schedule	Security
1	Indian Bank	30,000	13,721.79	11 equal quarterly installments after initial moratorium of 17 months	Hypothecation of specified receivables
2	Axis Bank	10,000	846.00	12 quarterly installments after moratorium of 24 months.	Hypothecation of specified receivables
3	Bajaj Finance Limited	7,500	1,341.98	12 equal quarterly installments after moratorium of 3 months.	Hypothecation of specified receivables
4	Bank of Baroda	10,000	3,135.68	19 quarterly installments after moratorium of 3 months	Hypothecation of specified receivables
5	Bank of Maharashtra	15,000	2,466.34	7 quarterly installments starting from the 6 th to 12 th quarter	Hypothecation of specified receivables
6	Bank of Baroda	40,000	12,542.65	19 quarterly installments after moratorium of 3 months	Hypothecation of specified receivables
7	Bank of Baroda	35,000	2,170.92	8 equal quarterly installments starting after a moratorium period of 24 months	Hypothecation of specified receivables
8	Federal Bank	10,000	7,929.37	10 quarterly installments after moratorium of 6 months	Hypothecation of specified receivables
9	Indian Bank	30,000	20,945.60	12 quarterly installments after moratorium period of 1 year.	Hypothecation of specified receivables
10	IndusInd Bank	50,000	6,988.81	36 monthly installments	Hypothecation of specified receivables
11	Development Bank of Sikkim	10,000	1,998.48	10 quarterly installments after moratorium of 18 months	Hypothecation of specified receivables
12	National Bank for Agricultural and Rural Development (NABARD)	50,000	20,811.22	11 half-yearly installments	Hypothecation of specified receivables
13	Canara Bank	15,000	5,341.59	14 quarterly installments after moratorium of 6 months	Hypothecation of specified receivables
14	Catholic Syrian Bank	5,000	1,556.87	16 quarterly installments	Hypothecation of specified receivables
15	Union Bank of India	30,000	7,494.75	4 equal quarterly installments after moratorium of 36 months	Hypothecation of specified receivables
16	Bank of Baroda	7,500	1,858.45	4 equal quarterly installments after moratorium of 36 months	Hypothecation of specified receivables
17	Bank of Baroda	20,000	9,961.99	Repayable in 12 equal quarterly installments with initial moratorium period of 15 months	Hypothecation of specified receivables
18	SIDBI	5,000	703.18	20 installments with first 4 installments of 150 lacs, second 4 installments of 200 lacs, third 4 installments of 250 lacs, fourth 4 installments of 300 lacs, fifth 4 installments of 350 lacs	Hypothecation of specified receivables
19	SIDBI	20,000	4,219.01	20 installments first 4 installments 600 lacs, next 4 installments 800 lacs, next 4 installments 1000 lacs, next 4 installments 1200 lacs, last 4 installments 1400 lacs	Hypothecation of specified receivables
20	Canara Bank	15,000	6,411.91	14 quarterly installments after moratorium of 6 months	Hypothecation of specified receivables
21	Canara Bank	15,000	7,930.08	Repayable in 15 equal quarterly installments after a moratorium period of 3 months	Hypothecation of specified receivables
22	Canara Bank	15,000	7,930.39	Repayable in 15 equal quarterly installments after a moratorium period of 3 months	Hypothecation of specified receivables
23	Bank of Baroda	10,000	3,289.82	Repayable in 12 quarterly installments after an initial moratorium of one month	Hypothecation of specified receivables
24	HDFC Bank	15,000	6,282.11	Repayable in 36 monthly installments	Hypothecation of specified receivables
25	Bank of India	60,000	48,636.85	Repayable in 11 quarterly installments after an initial moratorium of 15 months	Hypothecation of specified receivables
26	Union Bank of India	20,000	15,758.36	15 quarterly installments with moratorium of 3 months	Hypothecation of specified receivables
27	HDFC Bank	25,000	8,265.55	24 Equated Monthly Installments	Hypothecation of specified receivables
28	Indian Bank	30,000	23,542.32	14 equal quarterly installments after a moratorium 6 Months	Hypothecation of specified receivables
29	Catholic Syrian Bank	6,000	5,210.30	8 equal quarterly installments after initial moratorium.	Hypothecation of specified receivables
30	Canara Bank	50,000	36,450.74	15 equal quarterly installments after initial moratorium of 3 Months	Hypothecation of specified receivables
31	Karnataka Bank	10,000	7,326.19	8 quarterly installments after 6 Months Moratorium	Hypothecation of specified receivables
32	HDFC Bank	17,500	7,885.28	24 Equated Monthly installments	Hypothecation of specified receivables
33	HDFC Bank	7,500	3,396.48	24 Equated Monthly installments	Hypothecation of specified receivables
34	Bank of Baroda	20,000	15,324.83	14 Quarterly installments with 3 months of moratorium	Hypothecation of specified receivables
35	HDFC Bank	52,000	26,096.49	24 Equated Monthly installments	Hypothecation of specified receivables
36	National Bank for Agricultural and Rural Development (NABARD)	50,000	37,336.65	5 years on quarterly basis at the last date of every month	Hypothecation of specified receivables
37	HDFC Bank	25,000	14,655.39	24 Equated Monthly installments	Hypothecation of specified receivables
38	Hongkong Shanghai Banking Corporation	15,000	11,820.93	36 Equated Monthly installments	Hypothecation of specified receivables
39	Indian Overseas Bank	30,000	27,388.42	14 quarterly installments after a moratorium of 6 months	Hypothecation of specified receivables
40	Rastakur Bank Limited	12,000	6,251.57	3 installments of 25%, 25% and 50% of loan amount at the end of 6th, 9th and 13th month.	Hypothecation of specified receivables
41	SIDBI	30,000	27,150.31	Repayable in 20 equal quarterly installments of 15 crore & moratorium of 6 months.	Hypothecation of specified receivables
42	National Bank for Agricultural and Rural Development (NABARD)	1,00,000	85,000.00	20 equal Quarterly Installments	Hypothecation of specified receivables
43	Bajaj Finance Limited	4,375	3,925.84	10 equal quarterly installments after a moratorium of 6 months	Hypothecation of specified receivables
44	Tan Capital Financials	30,000	24,794.84	12 equal Quarterly Installments	Hypothecation of specified receivables
45	Canara Bank	20,000	18,485.11	15 equal quarterly installments after a moratorium of 3 months	Hypothecation of specified receivables
46	Barclays Bank	15,000	11,176.76	8 equal Quarterly Installments	Hypothecation of specified receivables
47	Equitas Small Finance Bank	10,000	9,194.71	12 equal Quarterly Installments	Hypothecation of specified receivables
48	Federal Bank	5,000	4,977.35	10 equal quarterly installments after a moratorium of 6 months	Hypothecation of specified receivables
49	HDFC Bank	25,000	17,810.40	24 equated Monthly installments	Hypothecation of specified receivables
50	HDFC Bank	50,000	49,465.20	36 equated Monthly installments	Hypothecation of specified receivables
51	Indian Overseas Bank	15,000	14,786.95	14 equal quarterly installments after a moratorium of 6 months	Hypothecation of specified receivables
52	South Indian Bank	7,500	7,465.06	15 Month Moratorium, Repaid in 11 Installments (10 quarterly of Rs.682 lacs & last one Rs. 689 lacs)	Hypothecation of specified receivables
53	Ujjivan Small Finance Bank Ltd	7,500	5,395.58	24 equal monthly Installments	Hypothecation of specified receivables
54	Bank of Maharashtra	25,000	25,055.70	15 equal quarterly installments after a moratorium of 3 months	Hypothecation of specified receivables
55	Hongkong Shanghai Banking Corporation	12,500	12,502.78	13 equal monthly installments after a moratorium of 3 months	Hypothecation of specified receivables
56	Indian Bank	30,000	49,360.73	12 equal quarterly installments after a moratorium of 12 months	Hypothecation of specified receivables
57	Indian Bank	30,000	30,228.04	12 equal quarterly installments after a moratorium of 12 months	Hypothecation of specified receivables
58	Indian Bank	70,000	70,529.12	12 equal quarterly installments after a moratorium of 12 months	Hypothecation of specified receivables
59	IndusInd Bank	10,000	9,924.16	Bullet Repayment at end of tenor	Hypothecation of specified receivables
60	Bajaj Finance Limited	6,000	5,982.91	12 quarterly Installments after a moratorium of 3 months	Hypothecation of specified receivables
61	Chicorp Finance India Ltd	10,000	10,001.97	Single Bullet Installment	Hypothecation of specified receivables
62	National Bank for Agricultural and Rural Development (NABARD)	1,50,000	1,50,000.00	3 Months Moratorium, Repaid in 19 quarterly installments (18th quarterly of Rs.750 lacs & last one Rs. 1500 lacs)	Hypothecation of specified receivables
63	Axis Bank	20,000	20,091.44	9 quarterly installments, commencing 12 months from the date of first disbursement	Hypothecation of specified receivables
64	Canara Bank	50,000	49,243.33	19 quarterly installments after a moratorium of 3 months	Hypothecation of specified receivables
65	HDFC Bank	50,000	49,935.96	36 Equated Monthly installments	Hypothecation of specified receivables
66	Indian Overseas Bank	5,000	4,922.08	14 quarterly installments after a moratorium of 6 months	Hypothecation of specified receivables
67	Yes Bank	12,000	11,717.15	36 Equated Monthly installments	Hypothecation of specified receivables
Total		17,48,375.88	12,23,848.78		

B. Cash credit facilities and Working Capital Demand Loans, as on Dec 31, 2021

No	Bank Name	Overall Limit (Rs. In Lacs)	Type	Amount Outstanding (Rs. In Lacs)	Repayment Schedule	Security	Date of Sanction	Date of Maturity
1	Axis Bank Ltd	25,000	WCDL	15,000.00	Bullet payment	Hypothecation of Specific receivables	07-Dec-21	05-Jun-22
			CC	443.13	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
2	Bank Of Baroda	15,000	WCDL	9,000.00	Bullet payment	Hypothecation of Specific receivables	03-Nov-21	03-May-22
			CC	4,017.93	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
3	Bank Of Maharashtra	4,000	CC	3,420.49	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
4	Canara Bank	-	CC	0.03	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
5	Federal Bank	2,500	WCDL	1,500.30	Bullet payment	Hypothecation of Specific receivables	05-Jul-21	25-Feb-22
			CC	607.69	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
6	HDFC Bank Ltd	8,000	WCDL	4,832.72	Bullet payment	Hypothecation of Specific receivables	03-Dec-21	01-Mar-22
			CC	7,738.99	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
7	HSBC Bank	2,000	WCDL	1,802.24	Bullet payment	Hypothecation of Specific receivables	05-Oct-21	04-Jan-22
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
8	ICICI Bank Ltd	5,000	WCDL	3,000.68	Bullet payment	Hypothecation of Specific receivables	14-Jul-21	10-Jan-22
			CC	10.18	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
9	Indian Bank	25,000	WCDL	7,556.37	Bullet payment	Hypothecation of Specific receivables	17-Aug-21	17-Feb-22
			WCDL	3,022.68	Bullet payment	Hypothecation of Specific receivables	30-Oct-21	30-Apr-22
			WCDL	11,506.14	Bullet payment	Hypothecation of Specific receivables	30-Dec-21	29-Jun-22
			CC	0.24	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
10	Indusind Bank	41,668	WCDL	6,001.23	Bullet payment	Hypothecation of Specific receivables	19-Jan-21	19-Jan-22
			WCDL	7,001.44	Bullet payment	Hypothecation of Specific receivables	16-Feb-21	16-Feb-22
			WCDL	5,501.09	Bullet payment	Hypothecation of Specific receivables	30-Jun-21	30-Jun-22
			WCDL	7,001.39	Bullet payment	Hypothecation of Specific receivables	30-Jun-21	30-Jun-22
			WCDL	10,001.92	Bullet payment	Hypothecation of Specific receivables	29-Sep-21	29-Sep-22
11	Kotak Mahindra Bank	13,500	WCDL	-	Bullet payment	Hypothecation of Specific receivables	N/A	N/A
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
12	Punjab National Bank	10,475	WCDL	6,285.00	Bullet payment	Hypothecation of Specific receivables	17-Nov-21	16-May-22
			CC	21.49	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
13	Standard Chartered Bank	57,500	WCDL	15,003.80	Bullet payment	Hypothecation of Specific receivables	04-Oct-21	28-Sep-22
			WCDL	24,006.08	Bullet payment	Hypothecation of Specific receivables	04-Oct-21	28-Sep-22
			WCDL	17,504.43	Bullet payment	Hypothecation of Specific receivables	20-Oct-21	22-Sep-22
			CC	109.26	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
14	State Bank Of India	26,500	WCDL	-	Bullet payment	Hypothecation of Specific receivables	N/A	N/A
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
15	Union Bank Of India	3,000	WCDL	1,800.00	Bullet payment	Hypothecation of Specific receivables	28-Dec-21	28-Dec-22
			CC	959.56	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
16	DCB	4,000	WCDL	4,000.00	Bullet payment	Hypothecation of Specific receivables	30-Dec-21	28-Mar-22
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
17	Yes Bank	5,000	WCDL	-	Bullet payment	Hypothecation of Specific receivables	N/A	N/A
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
18	State Bank of Mauritius	1,000	CC	1.51	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
19	RBL	9,500	WCDL	5,001.15	Bullet payment	Hypothecation of Specific receivables	28-Sep-21	25-Mar-22
			WCDL	4,500.98	Bullet payment	Hypothecation of Specific receivables	21-Oct-21	16-Apr-22
			CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
20	Citi Bank	7,500	WCDL	-	Bullet payment	Hypothecation of Specific receivables	N/A	N/A
21	The South Indian Bank Ltd	100	CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
22	Karur Vysya Bank	100	CC	-	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
23	Credit Balances in CA Accounts	-	CC	519.65	Repayable on annual renewal	Hypothecation of Specific receivables	N/A	N/A
Total		2,66,343.00		1,88,679.81				

Shriram City Union Finance Limited
Standalone Balance Sheet for last three financial years

Rs. in lacs

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I ASSETS				
1 Financial Assets				
Cash and Cash Equivalents	4,31,263.63	3,81,528.17	2,09,182.78	98,136.94
Bank balance other than above	1,75,322.14	1,39,908.12	97,053.53	30,281.81
Receivables				
(I) Trade Receivables	205.61	229.99	89.76	-
(II) Other Receivables	-	-	-	-
Loans	30,03,557.62	27,42,011.64	26,61,252.96	26,98,910.93
Investments	2,28,382.64	1,01,732.24	73,413.97	86,965.30
Other Financial Assets	4,678.08	4,253.43	7,343.68	3,442.49
2 Non-Financial Assets				
Current Tax Assets (net)	8,664.91	4,502.79	13,069.56	4,224.50
Deferred Tax Assets (net)	14,443.80	12,815.28	5,072.77	4,840.74
Property, Plant and Equipment	6,317.62	6,437.72	7,241.02	7,924.47
Intangible Assets	215.04	204.44	193.18	157.36
Right of Use Assets	15,678.07	15,618.41	15,487.33	-
Other Non-Financial Assets	13,089.91	11,755.73	8,024.46	6,640.55
Total Assets	39,01,819.07	34,20,997.96	30,97,425.00	29,41,525.09
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
Derivative Financial Instruments	-	-	-	297.39
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises	5.67	18.90	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,604.58	6,729.05	6,077.83	5,509.89
Debt Securities	6,56,377.31	4,26,363.00	4,46,827.65	3,68,689.96
Borrowings (other than debt securities)	16,55,767.86	15,77,279.14	14,44,625.56	15,14,147.34
Deposits	6,62,583.36	5,52,888.78	4,01,206.80	3,11,940.61
Subordinated Liabilities	-	-	23,923.91	65,370.95
Other Financial Liabilities	32,792.80	40,962.53	47,848.62	32,382.09
2 Non-Financial Liabilities				
Provisions	2,735.78	2,631.25	3,926.79	2,527.25
Other Non-Financial Liabilities	3,655.42	2,272.72	2,192.27	1,527.16
Total Liabilities	30,19,522.78	26,09,145.37	23,76,629.43	23,02,392.64
3 Equity				
Equity Share Capital	6,632.88	6,600.50	6,600.29	6,599.23
Other Equity	8,75,663.41	8,05,252.09	7,14,195.28	6,32,533.22
Total Equity	8,82,296.29	8,11,852.59	7,20,795.57	6,39,132.45
Total Liabilities and Equity	39,01,819.07	34,20,997.96	30,97,425.00	29,41,525.09

Shriram City Union Finance Limited
Standalone Statement of Profit and Loss for last three financial years

Rs. in lacs

Particulars	Period ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations				
(i) Interest income	4,55,764.87	5,57,155.86	5,69,715.83	5,65,641.77
(ii) Dividend income	184.66	190.28	171.21	166.76
(iii) Fee and commission income	8,694.54	4,721.75	1,369.08	1,147.16
(iv) Net gain on fair value changes	60.44	131.95	238.73	890.40
(v) Net gain on derecognition of financial instruments under amortised cost category	310.10	-	2,241.46	2,224.91
(vi) Bad debts recovery	12,777.43	10,869.81	14,657.28	7,806.53
I Total revenue from operations	4,77,792.04	5,73,069.65	5,88,393.59	5,77,877.53
II Other income	272.93	773.82	320.90	252.25
III Total income (I+II)	4,78,064.97	5,73,843.47	5,88,714.49	5,78,129.78
Expenses				
(i) Finance cost	1,83,892.93	2,13,388.43	2,14,044.86	1,98,619.09
(ii) Net loss on derecognition of financial instruments under amortised cost category	-	167.03	-	-
(iii) Fees and commission expenses	8,110.99	10,384.63	13,026.94	15,481.11
(iv) Impairment of financial instruments	7,510.72	285.73	11,847.86	13,467.86
(v) Bad Debts Written Off	63,636.24	84,799.87	76,523.26	64,737.84
(vi) Employee benefit expenses	70,217.86	76,366.07	84,767.10	83,791.07
(vii) Depreciation, amortisation and impairment	5,892.58	7,984.14	8,215.79	3,119.55
(viii) Royalty	5,168.84	6,254.89	6,417.14	6,301.61
(ix) Professional Charges	9,388.25	13,010.25	12,071.42	10,477.00
(x) Other expenses	19,941.91	22,263.68	26,300.02	30,102.39
IV Total expenses	3,73,760.32	4,34,904.72	4,53,214.39	4,26,097.52
V Profit/(loss) before exceptional items and tax (III - IV)	1,04,304.65	1,38,938.75	1,35,500.10	1,52,032.26
VI Exceptional items	-	-	-	-
VII Profit/(loss) before tax (V - VI)	1,04,304.65	1,38,938.75	1,35,500.10	1,52,032.26
VIII Tax expense:				
(1) Current tax	27,849.31	46,219.68	34,240.38	49,637.03
(2) Income tax of the earlier years	-	-	1,324.24	-
(3) Deferred tax	(1,819.74)	(8,375.35)	(116.52)	3,507.43
IX Profit/(loss) for the period (V-VIII)	78,275.08	1,01,094.42	1,00,052.00	98,887.80
X Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
Remeasurement gain/(loss) on defined benefit plan	(432.04)	1,178.74	(340.60)	(1,404.93)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	759.79	768.97	(664.10)	-
(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	191.22	632.84	(115.51)	(491.00)
Subtotal (A)	136.53	1,314.87	(889.19)	(913.93)
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal (B)	-	-	-	-
Other comprehensive income (A+B)	136.53	1,314.87	(889.19)	(913.93)
XI Total Comprehensive Income for the year (IX+ X)	78,411.61	1,02,409.29	99,162.81	97,973.87
XII Earnings per equity share				
Basic (Rs.)	118.47	153.16	151.60	149.88
Diluted (Rs.)	117.49	152.81	151.57	149.83

Shriram City Union Finance Limited
Standalone Cash flow statement for last three financial years

Rs. in lacs

Particulars	Period ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Tax	1,04,304.65	1,38,938.75	1,35,500.10	1,52,032.26
Adjustments for :				
Depreciation, amortisation and impairment	5,892.58	7,984.14	8,215.79	3,119.55
(Profit)/ loss on sale of property, plant and equipment (net)	-	12.12	33.18	50.62
Bad Debts Written Off	63,636.24	84,799.87	76,523.26	64,737.84
Impairment of financial instruments	7,510.72	285.73	11,847.86	13,467.85
Unwinding of Financial Guarantee obligation	-	(117.13)	(15.65)	(15.60)
Amortisation of premium on Government securities	83.89	71.20	123.94	123.60
Interest on Lease Liabilities	1,375.42	1,718.12	1,610.59	-
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(60.44)	(131.95)	(238.73)	(891.14)
Net (Gain)/Loss on derecognition of financial instruments under amortised cost category	(310.10)	167.03	(2,241.46)	(1,306.61)
Lease concessions received	(30.58)	(432.51)	-	-
Share based payments to employees	6,257.33	1,847.93	-	-
Dividend Income considered as cash flow from investing activity	(184.66)	(190.28)	(171.21)	(166.76)
Operating profit before working capital changes	1,88,475.05	2,34,953.02	2,31,187.67	2,31,151.61
Movements in Working capital:				
(Increase) / decrease in loans and advances	(3,32,685.56)	(1,65,666.23)	(50,615.69)	(1,98,386.91)
(Increase) / decrease in other non financial assets	(1,199.90)	(3,714.30)	(2,370.32)	(2,432.77)
(Increase) / decrease in other financial assets	(438.30)	3,110.90	(2,910.33)	(252.03)
(Increase) / decrease in Bank Deposits	(35,412.00)	(42,861.05)	(66,770.79)	(10,124.14)
Increase / (decrease) in other financial liabilities	(2,051.62)	(14,597.36)	1,135.32	10,027.44
Increase / (decrease) in other non financial liabilities	1,377.15	80.45	665.11	(111.11)
Increase / (decrease) in other Payables	(1,137.70)	670.12	567.94	(1,493.48)
Increase / (decrease) in other Provisions	(321.91)	(302.76)	964.86	(1,318.82)
(Increase) / decrease in receivables	25.40	(146.50)	(93.12)	-
(Increase) / decrease in Derivative Financial Instruments	-	-	(379.00)	-
(Increase) / decrease in investments	(75,914.40)	(27,495.03)	(8,404.13)	8,048.05
Cash generated from operations	(2,59,283.79)	(15,968.75)	1,02,977.51	35,107.84
Direct taxes paid (net of refunds)	(32,011.43)	(37,652.91)	(44,409.68)	(49,355.67)
Net Cash from/(used in) operating activities (A)	(2,91,295.22)	(53,621.66)	58,567.83	(14,247.83)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(1,720.14)	(1,945.96)	(2,465.27)	(3,407.79)
Sale of Investment in Mutual Funds	-	-	20,235.50	(19,930.62)
Sale of Investment in Shares	-	-	1,252.24	-
Investment in subsidiary	(50,000.00)	-	-	-
Capital advance for assets	(128.73)	(16.97)	(4.45)	(19.40)
Proceeds from sale of fixed assets	18.87	36.62	44.19	45.57
Dividend Income	184.66	190.28	171.21	166.76
Net Cash from/(used in) investing activities (B)	(51,645.34)	(1,736.03)	19,233.43	(23,145.48)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of equity share capital including securities premium and share application money	1,116.49	0.74	3.44	9.29
Increase/(Decrease) of Debt securities	2,30,014.31	(20,464.65)	78,137.69	1,38,038.32
Increase/(Decrease) of Borrowings	78,488.72	1,32,653.58	(69,521.78)	25,991.94
Increase/(Decrease) of Deposits	1,09,694.58	1,51,681.98	89,266.19	2,380.74
Increase/(Decrease) of Subordinated liabilities	-	(23,923.91)	(41,447.04)	(49,907.06)
Payment of Lease Liabilities	(4,841.12)	(5,644.23)	(5,690.52)	-
Dividend paid on equity shares	(21,796.96)	(6,600.43)	(14,518.98)	(11,875.90)
Tax on Dividend	-	-	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	3,92,676.02	2,27,703.08	33,244.58	1,02,196.33
Net increase / (decrease) in cash and cash equivalents (A+B+C)	49,735.46	1,72,345.39	1,11,045.84	64,803.02
Cash and cash equivalents at the beginning of the year	3,81,528.17	2,09,182.78	98,136.94	33,333.92
Cash and cash equivalents at the end of the year	4,31,263.63	3,81,528.17	2,09,182.78	98,136.94
Components of cash and cash equivalents	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on hand	5,574.22	5,427.01	885.21	8,384.79
Balances with Banks				
- in current accounts	87,529.25	1,32,365.06	28,208.80	48,007.30
- in deposit accounts having original maturity less than three months	3,38,160.16	2,43,736.10	1,80,088.77	41,744.85
Total	4,31,263.63	3,81,528.17	2,09,182.78	98,136.94

Shriram City Union Finance Limited
Consolidated Balance Sheet for last three financial years

Rs. in lacs

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I ASSETS				
1 Financial Assets				
Cash and Cash Equivalents	4,40,430.51	3,91,641.65	2,24,053.78	99,584.06
Bank balance other than above	1,90,175.14	1,44,309.16	97,859.03	30,419.46
Receivables				
(I) Trade Receivables	205.61	229.99	89.76	-
(II) Other Receivables	116.19	-	0.65	4.07
Loans	33,87,177.23	30,79,779.88	28,60,101.36	28,81,075.06
Investments	1,87,986.75	92,406.90	72,318.17	92,092.40
Other Financial Assets	18,606.30	16,234.07	12,618.14	3,520.10
2 Non-Financial Assets				
Current Tax Assets (net)	9,071.06	4,921.74	15,136.41	5,629.57
Deferred Tax Assets (net)	14,443.80	12,815.28	5,072.77	4,840.74
Property, Plant and Equipment	6,761.37	6,841.27	7,790.02	8,622.48
Intangible Assets	559.14	643.36	768.63	487.40
Right of Use Assets	16,519.18	16,538.88	16,578.78	-
Other Non-Financial Assets	22,182.33	20,146.61	16,507.17	15,676.45
Total Assets	42,94,234.61	37,86,508.79	33,28,894.67	31,41,951.79
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
Derivative financial instruments	-	-	-	297.39
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises	5.67	18.90	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,106.53	8,333.36	8,096.32	6,535.73
Debt Securities	7,09,301.05	4,84,252.82	4,85,324.94	4,26,704.75
Borrowings (other than debt securities)	19,41,002.44	18,37,472.96	15,99,030.53	16,25,015.74
Deposits	6,62,583.36	5,52,888.78	4,01,206.80	3,11,940.61
Subordinated Liabilities	-	-	23,923.91	65,370.95
Other Financial Liabilities	36,379.44	43,900.35	49,945.43	32,673.91
2 Non-Financial Liabilities				
Provisions	3,070.07	2,738.66	4,115.46	2,664.40
Deferred Tax Liabilities	3,123.22	2,536.95	886.48	117.23
Other Non-Financial Liabilities	3,921.94	2,538.73	2,379.14	1,646.51
Total liabilities	33,66,493.72	29,34,681.51	25,74,909.01	24,72,967.22
3 Equity				
Equity Share Capital	6,632.88	6,600.50	6,600.29	6,599.23
Other Equity	9,04,136.36	8,32,153.68	7,35,755.92	6,51,830.49
Equity attributable to equity holders of the parent	9,10,769.24	8,38,754.18	7,42,356.21	6,58,429.72
Non-Controlling Interest	16,971.65	13,073.10	11,629.45	10,554.85
Total Equity	9,27,740.89	8,51,827.28	7,53,985.66	6,68,984.57
Total Liabilities and Equity	42,94,234.61	37,86,508.79	33,28,894.67	31,41,951.79

Shriram City Union Finance Limited
Consolidated Statement of Profit and Loss for last three financial years
Rs. in lacs

Particulars		Period ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations					
(i)	Interest income	4,90,041.18	5,90,296.08	5,97,509.45	5,93,428.12
(ii)	Dividend income	185.07	190.28	171.21	166.76
(iii)	Fee and commission income	8,721.52	4,633.54	1,357.20	1,131.56
(iv)	Net gain on fair value changes	683.85	907.24	1,080.88	1,178.75
(v)	Net gain on derecognition of financial instruments under amortised cost category	3,979.14	7,422.46	7,706.75	-
(vi)	Bad debts recovery	12,889.49	11,112.38	14,823.11	7,984.01
(vii)	Other Operating income	833.72	813.31	662.22	580.19
I	Total revenue from operations	5,17,333.97	6,15,375.29	6,23,310.82	6,04,469.39
II	Other income	739.42	1,411.33	604.53	290.99
III	Total income (I+II)	5,18,073.39	6,16,786.62	6,23,915.35	6,04,760.38
Expenses					
(i)	Finance cost	2,04,922.64	2,34,071.25	2,30,326.13	2,11,214.62
(ii)	Net loss on derecognition of financial instruments under amortised cost category	-	-	-	1,691.26
(iii)	Fees and commission expenses	9,235.19	11,252.43	13,509.92	15,798.26
(iv)	Impairment on financial instruments	7,884.94	1,662.95	13,106.41	11,669.22
(v)	Bad Debts Written Off	63,814.96	85,396.39	77,823.82	65,198.10
(vi)	Employee benefit expenses	76,290.80	83,012.74	91,137.37	89,683.31
(vii)	Depreciation, amortization and impairment	6,483.86	8,712.46	8,958.28	3,352.51
(viii)	Royalty	5,600.00	6,716.05	6,774.69	6,437.45
(ix)	Professional Charges	10,506.81	14,348.64	13,204.22	12,300.54
(x)	Other expenses	21,529.10	23,812.53	28,426.09	32,876.10
IV	Total expenses	4,06,268.30	4,68,985.44	4,83,266.93	4,50,221.37
V	Profit/(loss) before exceptional items and tax (III - IV)	1,11,805.09	1,47,801.18	1,40,648.42	1,54,539.01
VI	Exceptional items	-	-	-	-
VII	Profit/(loss) before tax (V - VI)	1,11,805.09	1,47,801.18	1,40,648.42	1,54,539.01
VIII	Tax expense:				
(1)	Current tax	29,312.45	47,155.66	35,661.16	49,544.09
(2)	Income tax of the earlier years	-	(190.33)	1,325.99	-
(3)	Deferred tax	(1,233.22)	(6,935.69)	340.01	4,442.23
IX	Profit/(loss) for the period (VII-VIII)	83,725.86	1,07,771.54	1,03,321.26	1,00,552.69
X	Other comprehensive income				
A (i)	Items that will not be reclassified to profit or loss				
	Remeasurement gain/(loss) on defined benefit plan	(433.04)	1,181.86	(331.11)	(1,315.85)
	Gain/(Loss) on Fair valuation of quoted investments in equity shares	759.79	768.97	(664.10)	-
	(ii) Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	190.97	633.62	(112.75)	(461.23)
	Subtotal (A)	135.78	1,317.21	(882.46)	(854.62)
	B (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other comprehensive income (A+B)	135.78	1,317.21	(882.46)	(854.62)
XI	Total Comprehensive Income for the year (IX+ X)	83,861.64	1,09,088.75	1,02,438.80	99,698.07
XII	Profit/ (Loss) for the period attributable to				
	- Owners of the Company	82,759.04	1,06,352.34	1,02,262.95	1,00,173.93
	- Non - Controlling Interests	966.82	1,419.20	1,058.31	378.76
XIII	Other Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	136.09	1,316.68	(883.99)	(868.14)
	- Non - Controlling Interests	(0.31)	0.53	1.53	13.52
XIV	Total Comprehensive Income/ (Loss) for the period attributable to				
	- Owners of the Company	82,895.13	1,07,669.02	1,01,378.96	99,305.79
	- Non - Controlling Interests	966.51	1,419.73	1,059.84	392.28
XV	Earnings per equity share				
	Basic (Rs.)	125.26	161.13	154.95	151.83
	Diluted (Rs.)	124.22	160.76	154.92	151.78

Shriram City Union Finance Limited - Consolidated
Consolidated Cash Flow Statement for last three financial years

Rs. in lacs

Particulars	Period ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before Tax	1,11,805.09	1,47,801.18	1,40,648.42	1,54,539.01
Adjustments for :				
Depreciation, amortization and impairment	6,483.86	8,712.46	8,958.27	3,352.04
Loss/(Profit) on sale of Property, Plant and Equipment (net)	0.95	66.15	44.85	73.14
Bad Debts Written Off	63,814.96	85,396.23	77,823.81	65,198.09
Impairment of financial instruments	7,884.94	1,662.96	13,106.41	11,669.18
Amortisation of premium on Government securities	83.89	71.20	123.94	123.60
Interest on Lease Liabilities	1,443.14	1,812.85	1,735.64	-
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(683.85)	(907.24)	(1,080.88)	(1,200.07)
Net (gain)/Loss on derecognition of financial instruments under amortised cost category	(3,979.14)	(7,422.46)	(7,706.75)	2,609.56
Lease concessions received	(93.52)	(510.91)	-	-
Share based payments to employees	6,361.90	1,953.07	58.50	-
Dividend Income considered as cash flow from investing activity	(185.07)	(190.28)	(171.21)	(166.76)
Operating profit before working capital changes	1,92,937.15	2,38,445.21	2,33,541.00	2,36,197.81
Movements in Working capital:				
(Increase) / decrease in loans and advances	(3,80,217.66)	(3,03,468.07)	(65,719.10)	(2,07,531.88)
(Increase) / decrease in other non financial assets	(1,599.60)	(4,776.75)	(2,063.44)	(4,830.18)
(Increase) / decrease in other financial assets	978.66	3,807.80	(1,561.79)	(213.43)
(Increase) / decrease in Bank Deposits	(42,837.90)	(46,388.49)	(67,372.60)	(10,126.70)
Increase / (decrease) in other financial liabilities	(1,862.22)	(19,141.14)	572.84	9,340.77
Increase / (decrease) in other non financial liabilities	1,377.73	159.49	732.94	(125.10)
Increase / (decrease) in other Payables	(1,091.42)	703.34	543.44	(1,469.09)
Increase / (decrease) in other Provisions	(322.91)	(299.64)	974.35	(1,229.63)
(Increase) / decrease in receivables	25.40	(146.50)	(93.12)	-
Increase / (decrease) in Derivative Financial Instruments	-	-	(379.00)	-
(Increase) / decrease in investments	(75,913.16)	(27,494.43)	(8,402.88)	8,050.49
Cash generated from operations	(3,08,525.93)	(1,58,599.18)	90,772.64	28,063.06
Direct taxes paid (net of refunds)	(33,461.77)	(36,540.64)	(46,184.42)	(51,679.93)
Net Cash from/(used in) operating activities (A)	(3,41,987.70)	(1,95,139.82)	44,588.22	(23,616.87)
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment and intangible assets	(1,905.51)	(2,033.58)	(2,860.06)	(3,817.52)
Sale of Investment in Mutual Funds	-	-	20,235.50	(19,930.62)
Sale of Investment in Shares	(11,474.03)	8,656.32	7,788.46	(12,077.80)
Capital advance for assets	(128.73)	(16.97)	(4.45)	(19.40)
Proceeds from sale of fixed assets	20.27	49.94	48.65	52.14
Dividend Income	185.07	190.28	171.21	166.76
Proceeds from sale of Security Deposits	131.40	347.68	530.52	444.66
Purchase of commercial paper	(9,787.01)	-	-	-
Right issue expenses of subsidiary	(84.69)	-	-	-
Net Cash from/(used in) investing activities (B)	(23,043.23)	7,193.67	25,909.83	(35,181.77)

C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of equity share capital including securities premium and share application money	1,116.49	0.74	3.44	9.29
Increase/(Decrease) of debt securities	2,25,616.42	(1,599.78)	59,634.49	1,30,121.55
Increase/(Decrease) of Borrowings	1,04,645.07	2,42,038.33	(29,784.77)	56,223.82
Increase/(Decrease) of Deposits	1,09,694.58	1,51,681.98	89,266.19	2,380.79
Increase/(Decrease) of Subordinated liabilities	-	(23,923.91)	(41,447.04)	(49,906.71)
Payment of Lease Liabilities	(5,455.81)	(6,062.91)	(6,197.24)	-
Dividend paid on equity shares	(21,796.96)	(6,600.43)	(14,518.98)	(11,875.90)
Tax on Dividend	-	-	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	4,13,819.79	3,55,534.02	53,971.67	1,24,511.84
Net increase / (decrease) in cash and cash equivalents (A+B+C)	48,788.86	1,67,587.87	1,24,469.72	65,713.20
Cash and cash equivalents at the beginning of the year	3,91,641.65	2,24,053.78	99,584.06	33,870.86
Cash and cash equivalents at the end of the year	4,40,430.51	3,91,641.65	2,24,053.78	99,584.06

Components of cash and cash equivalents	Rs. in lacs			
	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash on hand	5,574.37	5,433.39	888.66	8,387.55
Balances with Banks				
- in current accounts	96,195.95	1,38,156.42	28,228.92	49,451.66
- in deposit accounts having original maturity less than three months	3,38,660.19	2,48,051.84	1,94,936.20	41,744.85
Total	4,40,430.51	3,91,641.65	2,24,053.78	99,584.06

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	Auditors Response
1	Transition date accounting policies Effective 1 April 2018, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas for the Company upon transition: • Business model assessment • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for assignment • Accounting for loan fees and costs • Accounting for actuarial gain / loss on post employment benefit Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: Design / controls • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Company for compliance / acceptability under Ind AS 101. Substantive tests • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition and tested the computation. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the adequacy of the disclosure required by Ind AS 101
2	Impairments and Write Offs The Recognition and measurement of Impairment and Write Off of Loans and Advances involves estimates, management judgments and appropriate processing of information from the IT Systems because of which the same has been identified as a key audit matter	Our key audit procedures included: • We test checked the computation of the ratio of the Probable Default (PD) which denotes the statistical pattern of occurrence defaults in individual accounts over a period five years. • We also test checked the computation of the ratio of the Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. • We reviewed the Internal financial controls and ERP system controls over data extraction and data validation from the ERP System for computation of PD and LGD with the participation of our internal IT Expert • We examined the computation of the Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. • We Performed analytical procedures for ascertaining of reasonableness of Impairment provisions • We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written Off.

Independent Auditor's Report (Contd.)

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

Independent Auditor's Report (Contd.)

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to

evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening Balance Sheet as at April 01, 2017 included in these Standalone Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Standalone Financial Statements; as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Independent Auditor's Report (Contd.)

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100 515W

Umesh S Abhyankar

Partner

Membership Number: 113 053

Place: Chennai

Date: April 24, 2019

ANNEXURE 1 referred to in paragraph 8 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and based on our verification we report that the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax, value added tax and service tax dues disputed by the Company, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Karnataka Value Added Tax, 2003	Value Added Tax	6.50	Assessment Year 2011-12 to 2012-13	Joint Commissioner Commercial Tax (Appeals), Bengaluru, Karnataka
Finance Act, 1994	Service Tax	3,630.00	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	864.14	AY 2016-17	Commissioner of Income Tax (Appeals)

Annexure 1 (Contd.)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilization were invested during intervening period.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported during the year except fraud of ₹ 12.40 lacs in the nature of misappropriation of funds by an employee against whom the company has initiated legal course of action.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

(xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100 515W

Umesh S Abhyankar

Partner

Membership Number: 113 053

Place: Chennai

Date: April 24, 2019

ANNEXURE 2 referred to in paragraph 8 (f), 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over

financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100 515W

Umesh S Abhyankar

Partner

Membership Number: 113 053

Place: Chennai

Date: April 24, 2019

STANDALONE BALANCE SHEET

as at March 31, 2019

₹ in lacs

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 Financial assets				
Cash and cash equivalents	10	98,228.89	33,426.48	43,259.94
Bank balance other than above	11	30,189.86	20,065.11	21,770.69
Loans	12	26,98,910.93	25,78,729.72	21,64,872.08
Investments	13	86,622.55	73,552.19	71,306.33
Other financial assets	16	3,442.49	1,883.85	3,395.22
2 Non-financial assets				
Current tax assets (net)	39	4,224.50	4,505.86	5,947.80
Deferred tax assets (net)	39	4,840.74	7,857.18	7,576.44
Property, plant and equipment	14	7,924.47	7,577.70	6,974.96
Other intangible assets	15	157.36	312.08	841.14
Other non-financial assets	17	6,983.30	4,654.73	3,461.23
Total assets		29,41,525.09	27,32,564.90	23,29,405.83
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	5,509.89	7,003.39	3,050.59
Debt securities	20	3,68,689.96	2,30,102.27	1,25,826.19
Borrowings (other than debt securities)	21	15,11,070.92	14,85,078.77	11,96,531.15
Deposits	22	3,11,940.61	3,07,365.15	3,52,136.35
Subordinated liabilities	23	65,370.95	1,17,561.75	1,29,475.58
Other financial liabilities	24	35,458.51	25,908.59	22,458.76
2. Non-financial liabilities				
Provisions	25	2,527.25	2,441.13	1,611.94
Other non-financial liabilities	26	1,527.16	1,638.27	1,432.86
Total liabilities		23,02,392.64	21,77,099.32	18,32,523.42
3 Equity				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	6,32,533.22	5,48,869.00	4,90,288.07
Total equity		6,39,132.45	5,55,465.58	4,96,882.41
Total liabilities and equity		29,41,525.09	27,32,564.90	23,29,405.83

Notes forming part of the Financial Statements 1 -78

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2019

		₹ in lacs	
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	29	5,67,691.63	5,08,404.37
(ii) Dividend income		166.76	144.50
(iii) Fee and commission income	30	15.60	227.92
(iv) Net gain on fair value changes	31	864.24	854.08
(v) Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
(vi) Bad debts recovery		7,806.53	4,536.51
(vii) Gain on sale of Investment	32	26.16	1,505.31
(I) Total revenue from operations		5,77,877.53	5,15,672.69
(II) Other income	33	252.25	174.06
(III) Total income (I + II)		5,78,129.78	5,15,846.75
Expenses			
(i) Finance cost	34	1,97,990.79	1,66,412.87
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	978.58
(iii) Fees and commission expenses		15,481.11	13,035.81
(iv) Impairment on financial instruments	35	13,467.86	39,348.45
(v) Bad Debts Written Off		64,737.84	62,966.96
(vi) Employee benefit expenses	36	83,851.29	70,631.30
(vii) Depreciation, amortization and impairment	37	3,119.55	3,325.93
(viii) Royalty		6,301.61	5,583.92
(ix) Professional Charges		10,477.00	11,642.66
(x) Other expenses	38	30,670.47	33,073.06
(IV) Total expenses (IV)		4,26,097.52	4,06,999.54
(V) Profit/(loss) before exceptional items and tax (III - IV)		1,52,032.26	1,08,847.21
(VI) Exceptional items		-	-
(VII) Profit/(loss) before tax (V - VI)		1,52,032.26	1,08,847.21
(VIII) Tax Expense:			
(1) Current tax	39	49,637.03	38,129.64
(2) Deferred tax (credit)	39	3,507.43	(376.66)
(IX) Profit/(loss) for the period from continuing operations		98,887.80	71,094.23
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax expense of discontinued operations		-	-
(XII) Profit/(loss) from discontinued operations (after tax)		-	-
(XIII) Profit/(loss) for the period (IX+XII)		98,887.80	71,094.23
(XIV) Other comprehensive income			
A			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(1,404.93)	277.19
(ii) Income tax relating to items that will not be reclassified to profit or loss		(491.00)	95.93
Subtotal (A)		(913.93)	181.26
B			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		(913.93)	181.26
(XV) Total comprehensive income(XIII + XIV)		97,973.87	71,275.49
(XVI) Earnings per equity share			
Basic (₹)	40	149.88	107.80
Diluted (₹)	40	149.83	107.72

Notes forming part of the Financial Statements 1 -78

As per our report of even date
For G D Apte & Co
 Chartered Accountants
 Firm Registration No.100515W

**For and on behalf of the Board of Directors of
 Shriram City Union Finance Limited**

Umesh S Abhyankar
 Partner
 Membership No.113053

Duruvasan Ramachandra
 Managing Director & CEO
 DIN: 00223052

Venkataraman Murali
 Director
 DIN: 00730218

Place: Chennai
 Date: April 24, 2019

C R Dash
 Company Secretary

R Chandrasekar
 Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2019

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	1,52,032.26	1,08,847.21
Adjustments for :		
Depreciation, amortization and impairment	3,119.55	3,325.93
(Profit)/Loss on sale of fixed assets (net)	50.62	27.45
Public issue expenditure for non-convertible debentures	120.01	184.89
Deferred lease rental	78.25	4.82
Bad Debts Written Off	64,737.84	62,966.96
Impairment of financial instruments	13,467.85	39,348.31
(Gain)/Loss on sale of investments	(26.16)	(1,505.31)
Financial Guarantee obligation	(15.60)	(15.60)
Premium on Govt Securities	123.60	249.39
Dividend Income	(166.76)	(144.50)
Net (Gain)/Loss on fair value changes on investments	(1,161.63)	(854.08)
Net (Gain)/Loss on fair value changes on derivatives	297.39	-
Amortisation of Transaction Cost	(359.15)	780.63
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
Operating profit before working capital changes	2,30,991.46	2,14,194.68
Movements in Working capital:		
(Increase) / decrease in loans and advances	(1,98,386.91)	(5,16,173.05)
(Increase) / decrease in other non-financial assets	(2,631.03)	(1,640.50)
(Increase) / decrease in other financial assets	(252.03)	532.78
(Increase) / decrease in Bank Deposits	(10,124.75)	1,705.58
(Increase) / decrease in Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	10,027.44	(1,298.93)
Increase / (decrease) in other non-financial liabilities	(111.11)	205.41
Increase / (decrease) in other Payables	(1,493.48)	3,952.80
Other provisions	(1,318.82)	1,106.38
Cash generated from operations	34,748.82	(3,00,269.70)
Direct taxes paid (net of refunds)	(49,355.67)	(36,687.70)
Net Cash from/(used in) operating activities (A)	(14,606.85)	(3,36,957.40)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,407.79)	(3,450.89)

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2019 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of Investment	70,026.16	2,968.52
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	45.57	23.84
Purchase of investments	(89,956.78)	-
Dividend Income	166.76	144.50
Net Cash from/(used in) investing activities (B)	(23,145.48)	(306.13)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	1,38,140.32	1,03,293.04
Increase/(Decrease) of Borrowings	26,488.80	2,88,540.22
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Dividend paid on equity shares including dividend tax	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	1,02,554.74	3,27,430.07
Net increase / (decrease) in cash and cash equivalents (A+B+C)	64,802.41	(9,833.46)
Cash and cash equivalents at the beginning of the year	33,426.48	43,259.94
Cash and cash equivalents at the end of the year	98,228.89	33,426.48

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,384.79	6,134.11
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	48,007.30	27,049.78
- in deposit accounts having original maturity less than three months	41,744.85	150.03
Total	98,228.89	33,426.48

The accompanying notes are an integral part of the Financial Statements

As per our report of even date
For G D Apte & Co
 Chartered Accountants
 Firm Registration No.100515W

**For and on behalf of the Board of Directors of
 Shriram City Union Finance Limited**

Umesh S Abhyankar
 Partner
 Membership No.113053

Duruvasan Ramachandra
 Managing Director & CEO
 DIN: 00223052

Venkataraman Murali
 Director
 DIN: 00730218

Place: Chennai
 Date: April 24, 2019

C R Dash
 Company Secretary

R Chandrasekar
 Chief Financial Officer

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the “Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited as at and for the year ended on March 31, 2019, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our identification and reporting of the Key Audit Matters, in so far as it relates to the subsidiary, is based solely on the report of the other auditor.

Independent Auditor's Report (Contd.)

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No	Key Audit Matter	Auditors Response
1	Transition date accounting policies Effective 1 April 2018, the Group has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017. The following are the major impact areas upon transition: • Business model assessment • Classification and measurement of financial assets and financial liabilities • Measurement of loan losses (expected credit losses) • Accounting for assignment • Accounting for loan fees and costs • Accounting for actuarial gain / loss on post employment benefit Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: Design / controls • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Group for compliance / acceptability under Ind AS 101 Substantive tests • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition and tested the computation. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the adequacy of the disclosure required by Ind AS 101
2	Impairments and Write Offs The Recognition and measurement of Impairment and Write Off of Loans and Advances involves estimates, management judgments and appropriate processing of information from the IT Systems because of which the same has been identified as a key audit matter	Our key audit procedures included: • We test checked the computation of the ratio of the Probable Default (PD) which denotes the statistical pattern of occurrence defaults in individual accounts over a period five years. • We also test checked the computation of the ratio of the Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. • We reviewed the Internal financial controls and ERP system controls over data extraction and data validation from the ERP System for computation of PD and LGD with the participation of our internal IT Expert • We examined the computation of the Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. • We Performed analytical procedures for ascertaining of reasonableness of Impairment provisions • We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written Off.

Independent Auditor's Report (Contd.)

Sr. No	Key Audit Matter	Auditors Response
3	Sale of Assets by subsidiary to an asset reconstruction company (ARC) During the year, the subsidiary has sold 355 non-performing loans to an asset reconstruction company (ARC) vide agreement dated 28th December, 2018. Pursuant to this agreement, the Subsidiary has assigned all the rights, title, interest, underlying collateral and security interest in respect of these loans to the ARC. The amount outstanding on loans of ₹ 7,692.17 lacs (including accrued interest of ₹ 1,367.83 lacs) was sold for a consideration of ₹ 3,776.00 lacs. The resulting loss of ₹ 3,916.17 lacs is recognized and presented on the face of the statement of Profit and Loss. This matter is determined to be a Key Audit Matter because of nature and magnitude.	- The procedures carried out by the auditors of the subsidiary on which we have relied are as under: - This Key Audit Matter was discussed with the management and those charged with governance. We have reviewed the agreement entered into by the subsidiary, the minutes of the Banking and Finance Committee meeting dated 24th December, 2018 authorizing the subsidiary for this transaction and extracts of the bank statements reflecting receipts of consideration. The result of our verification was satisfactory.

4. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

Independent Auditor's Report (Contd.)

completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

6. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and the subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matters

- We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of ₹ 2,17,547 lacs as at March 31, 2019, total revenues of ₹ 29,127 lacs and net cash flows amounting to ₹ 910 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- The comparative financial information of the Holding Company and its subsidiary for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2017 included in these Consolidated Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Accounting Standards Specified under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India audited by us in our report for the year ended March 31, 2018 dated April 26, 2018 and predecessor auditor whose report for the year ended March 31, 2017 dated May 2, 2017 respectively expressed an unmodified opinion on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Holding Company and its subsidiary on transition to the Ind AS , which have been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Independent Auditor's Report (Contd.)

8. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group—Refer Note 46 to the consolidated financial statements.
- ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2019.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100 515W

Umesh S Abhyankar

Partner

Membership Number: 113 053

Place: Chennai

Date: April 24, 2019

Annexure referred to in paragraph 8 (f) To The Independent Auditor's Report of Even Date on the Consolidated Financial Statements Of Shriram City Union Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

Umesh S Abhyankar

Partner

Membership Number: 113053

Place: Chennai

Date: April 24, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

₹ in lacs

Particulars	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I ASSETS				
1 Financial assets				
Cash and cash equivalents	10	99,676.01	33,963.42	43,751.06
Bank balance other than above	11	30,327.51	20,201.06	21,770.69
Loans	12	28,81,075.06	27,53,368.51	23,37,911.98
Investments	13	91,749.65	66,745.10	63,498.34
Other financial assets	16	3,799.49	2,241.50	6,762.77
2 Non-financial assets				
Current tax assets (net)	39	5,629.57	4,961.97	6,388.72
Deferred tax assets (net)	39	4,723.51	8,184.82	8,362.15
Property, plant and equipment	14	8,622.48	8,328.93	7,485.04
Other intangible assets	15	487.40	441.75	844.48
Other non-financial assets	17	15,743.87	11,128.48	4,493.64
Total assets		31,41,834.55	29,09,565.54	25,01,268.87
II LIABILITIES AND EQUITY				
Liabilities				
1 Financial liabilities				
Derivative financial instruments	18	297.39	-	-
Payables				
(I) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
(II) Other Payables	19			
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6,764.54	7,969.48	3,925.68
Debt securities	20	4,26,704.75	2,97,060.12	2,02,443.79
Borrowings (other than debt securities)	21	16,21,939.32	15,65,776.52	12,65,894.11
Deposits	22	3,11,940.61	3,07,365.15	3,52,136.35
Subordinated liabilities	23	65,370.95	1,17,561.75	1,29,475.58
Other financial liabilities	24	35,521.51	25,919.51	22,429.19
2. Non-financial liabilities				
Provisions	25	2,664.40	2,557.16	1,798.53
Other non-financial liabilities	26	1,646.51	1,771.41	2,009.48
Total liabilities		24,72,849.98	23,25,981.10	19,80,112.71
3 Equity				
Equity share capital	27	6,599.23	6,596.58	6,594.34
Other equity	28	6,51,830.49	5,66,827.52	5,05,276.33
Equity attributable to equity holders of the parent		6,58,429.72	5,73,424.10	5,11,870.67
Non-controlling interest		10,554.85	10,160.34	9,285.49
Total equity				
Total liabilities and equity		31,41,834.55	29,09,565.54	25,01,268.87

Notes forming part of the consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
Chartered Accountants
Firm Registration No.100515W

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Umesh S Abhyankar
Partner
Membership No.113053

Duruvasan Ramachandra
Managing Director & CEO
DIN: 00223052

Venkataraman Murali
Director
DIN: 00730218

Place: Chennai
Date: April 24, 2019

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2019

₹ in lacs			
Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations			
(i) Interest income	29	5,96,058.51	5,36,316.49
(ii) Dividend income		166.76	144.50
(iii) Fee and commission income	30	-	212.32
(iv) Net gain on fair value changes	31	1,152.48	956.69
(v) Net gain on derecognition of financial instruments under amortised cost category		1,306.61	-
(vi) Bad debts recovery		7,984.01	4,536.71
(vii) Gain on sale of Investment	32	26.16	1,505.31
(I) Total revenue from operations		6,06,694.53	5,43,672.02
(II) Other income	33	290.99	224.62
(III) Total income (I + II)		6,06,985.52	5,43,896.64
Expenses			
(i) Finance costs	34	2,10,582.87	1,77,962.39
(ii) Net loss on derecognition of financial instruments under amortised cost category		3,916.17	978.58
(iii) Fees and commission expenses		15,480.81	13,035.81
(iv) Impairment on financial instruments	35	11,669.22	39,530.98
(v) Bad Debts Written Off		65,198.09	63,946.03
(vi) Employee benefit expenses	36	89,746.95	74,887.49
(vii) Depreciation, amortization and impairment	37	3,352.51	3,519.03
(viii) Royalty		6,301.61	5,583.92
(ix) Professional Charges		10,477.00	11,642.66
(x) Other expenses	38	35,721.28	38,161.62
(IV) Total expenses (IV)		4,52,446.51	4,29,248.51
(V) Profit/(loss) before exceptional items and tax (III - IV)		1,54,539.01	1,14,648.13
(VI) Exceptional items		-	-
(VII) Profit/(loss) before tax (V - VI)		1,54,539.01	1,14,648.13
(VIII) Tax expense:			
(1) Current tax	39	49,544.09	39,639.64
(2) Deferred tax (credit)	39	4,442.23	78.49
(IX) Profit/(loss) for the period from continuing operations		1,00,552.69	74,930.00
(X) Profit/(loss) from discontinued operations		-	-
(XI) Tax expense of discontinued operations		-	-
(XII) Profit/(loss) from discontinued operations (after tax)		-	-
(XIII) Profit/(loss) for the period (IX+XII)		1,00,552.69	74,930.00
(XIV) Other comprehensive income			
A			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(1,315.85)	285.06
(ii) Income tax relating to items that will not be reclassified to profit or loss		(461.23)	98.81
Subtotal (A)		(854.62)	186.25
B			
(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		(854.62)	186.25
(XV) Total comprehensive income (XIII + XIV)		99,698.07	75,116.25
(XVI) Profit/ (Loss) for the year attributable to			
Owners of the Company		1,00,173.93	74,057.37
Non-controlling interest		378.76	872.63
(XVII) Other Comprehensive Income/ (Loss) for the year attributable to			
Owners of the Company		(868.14)	185.02
Non-controlling interest		13.52	1.23
(XVIII) Total comprehensive income/ (Loss) for the year attributable to			
Owners of the Company		99,305.79	74,242.39
Non-controlling interest		392.28	873.86
(XIX) Earnings per equity share			
Basic (₹)	40	151.83	112.29
Diluted (₹)	40	151.78	112.21

Notes forming part of the Consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
 Chartered Accountants
 Firm Registration No.100515W

**For and on behalf of the Board of Directors of
 Shriram City Union Finance Limited**

Umesh S Abhyankar
 Partner
 Membership No.113053

Duruvasan Ramachandra
 Managing Director & CEO
 DIN: 00223052

Venkataraman Murali
 Director
 DIN: 00730218

Place: Chennai
 Date: April 24, 2019

C R Dash
 Company Secretary

R Chandrasekar
 Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxes	1,54,539.01	1,14,648.13
Adjustments for :		
Depreciation, amortization and impairment	3,352.04	3,519.03
(Profit)/Loss on sale of fixed assets (net)	73.14	27.99
Public issue expenditure for non-convertible debentures	212.67	307.75
Bad Debts Written Off / Impairment of financial instruments	80,783.45	1,03,476.98
(Gain)/Loss on sale of investments	(291.48)	(1,608.40)
Dividend Income	(166.76)	(144.50)
Interest received	(11.73)	(115.79)
Net (Gain)/Loss on fair value changes on investments/ derivatives	(877.39)	(849.25)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(1,306.61)	978.58
EIR Impact on Fixed Loans & Advances & Related Cost	(356.51)	777.56
Operating profit before working capital changes	2,35,949.83	2,21,018.08
Movements in Working capital:		
(Increase) / decrease in loans and advances	(2,07,576.32)	(5,19,016.66)
(Increase) / decrease in other non-financial assets	(4,794.19)	(6,752.24)
(Increase) / decrease in other financial assets	(175.78)	3,343.36
(Increase) / decrease in Bank Deposits	(10,126.31)	1,680.58
(Increase) / decrease in Earmarked Investments	8,048.05	(2,854.85)
Increase / (decrease) in other financial liabilities	9,280.10	(1,874.91)
Increase / (decrease) in other non-financial liabilities	(123.08)	272.53
Increase / (decrease) in other Payables	(1,468.57)	3,985.73
Other provisions	(1,229.63)	1,114.70
Cash generated from operations	27,784.10	(2,99,083.68)
Direct taxes paid (net of refunds)	(51,679.93)	(38,228.08)
Net Cash from/(used in) operating activities (A)	(23,895.83)	(3,37,311.76)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(3,817.52)	(4,012.25)
(Increase) / decrease in Investments	(32,008.42)	7,618.07
Capital advance for assets	(19.40)	7.90
Proceeds from sale of fixed assets	52.14	24.06
Dividend Income	166.76	144.50
Investment in PTC	-	(3,249.51)
Investment in security receipts		(2,303.10)
Proceeds from sale of security receipts	444.66	-
Interest received (others)	11.73	115.79
Net Cash from/(used in) investing activities (B)	(35,170.05)	(1,654.54)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2019 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	9.29	7.83
Increase/(Decrease) of debt securities	1,30,140.32	93,793.04
Increase/(Decrease) of Borrowings	56,721.96	2,99,805.68
Increase/(Decrease) of Deposits	2,680.79	(40,464.78)
Increase/(Decrease) of Subordinated liabilities	(50,447.56)	(11,255.72)
Private placement expenses for non-convertible debentures paid	(9.43)	(16.87)
Dividend paid corporate dividend tax (Mar 2018 & Sept 2018- Final dividend)	(11,875.90)	(10,542.37)
Tax on Dividend Paid	(2,441.00)	(2,148.15)
Net Cash from/(used in) financing activities (C)	1,24,778.47	3,29,178.66
Net increase / (decrease) in cash and cash equivalents (A+B+C)	65,712.59	(9,787.64)
Cash and cash equivalents at the beginning of the year	33,963.42	43,751.06
Cash and cash equivalents at the end of the year	99,676.01	33,963.42

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Cash on hand	8,387.55	6,137.67
Cheques on hand		
Balances with Banks		
- in unclaimed dividend accounts	91.95	92.56
- in current accounts	49,451.66	27,583.16
- in deposit accounts having original maturity less than three months	41,744.86	150.03
	-	-
Total	99,676.01	33,963.42

Notes

- The above cash- flow statement has been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

Notes forming part of the Consolidated Financial Statements 1 -79

As per our report of even date
For G D Apte & Co
 Chartered Accountants
 Firm Registration No.100515W

**For and on behalf of the Board of Directors of
 Shriram City Union Finance Limited**

Umesh S Abhyankar
 Partner
 Membership No.113053

Duruvasan Ramachandra
 Managing Director & CEO
 DIN: 00223052

Venkataraman Murali
 Director
 DIN: 00730218

Place: Chennai
 Date: April 24, 2019

C R Dash
 Company Secretary

R Chandrasekar
 Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our

other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

Attention is invited to the Note No. 71 to the financial statements:

- i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Company has granted moratorium up to three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers and has continued recognition of interest income. In view of the management, this relaxation does not trigger any significant increase in credit risk.
- ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment and Write-offs The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during

the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the

INDEPENDENT AUDITOR'S REPORT (Contd.)

provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope

INDEPENDENT AUDITOR'S REPORT (Contd.)

and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 45 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co

Chartered Accountants

Firm Registration Number: 100515W

UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, June 11, 2020



ANNEXURE 1 REFERRED TO IN PARAGRAPH 8 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED MARCH 31, 2020.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and based on our verification, we report that, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, and based on the audit procedures conducted by us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax, value added tax and service tax dues of the Company which have not been deposited on account of dispute, are as follows:

Name of Statute	Nature of dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	864.14	AY 2016-17	Commissioner of Income Tax (Appeals)

ANNEXURE 1 (Contd.)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilization were invested during intervening period.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers, employees and customers of the Company has been noticed or reported during the year except fraud of Rs. 36.50 Lakhs in the nature of misappropriation of funds and availing loans by submitting forged documents by employees and customers against whom the company has initiated legal course of action.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company has registered with Reserve Bank of India as required under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co

Chartered Accountants

Firm Registration Number: 100515W

UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, June 11, 2020

ANNEXURE-2 REFERRED TO IN PARAGRAPH 8(F) UNDER THE HEADING ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT ON EVEN DATE ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

**ANNEXURE-2 (Contd.)**

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co

Chartered Accountants

Firm Registration Number: 100515W

UDIN:20121007AAAAAR3816

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, June 11, 2020





STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	8	2,09,182.78	98,136.94
Bank balance other than above	9	97,053.53	30,281.81
Receivables			
(I) Trade Receivables	10	89.76	-
(II) Other than Trade Receivables		-	-
Loans	11	26,61,252.96	26,98,910.93
Investments	12	73,413.97	86,965.30
Other Financial Assets	13	6,352.82	3,442.49
2 Non-Financial Assets			
Current Tax Assets (net)	38	13,069.56	4,224.50
Deferred Tax Assets (net)	38	5,072.77	4,840.74
Property, Plant and Equipment	14	7,241.02	7,924.47
Intangible Assets	15	193.18	157.36
Right of Use Assets	16	15,487.33	-
Other Non-Financial Assets	17	9,015.32	6,640.55
Total Assets		30,97,425.00	29,41,525.09
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Derivative Financial Instruments	18	-	297.39
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	6,077.83	5,509.89
Debt Securities	20	4,46,827.65	3,68,689.96
Borrowings (other than debt securities)	21	14,44,625.56	15,14,147.34
Deposits	22	4,01,206.80	3,11,940.61
Subordinated Liabilities	23	23,923.91	65,370.95
Other Financial Liabilities	24	47,848.62	32,382.09
2 Non-Financial Liabilities			
Provisions	25	3,926.79	2,527.25
Other Non-Financial Liabilities	26	2,192.27	1,527.16
Total Liabilities		23,76,629.43	23,02,392.64
3 Equity			
Equity Share Capital	27	6,600.29	6,599.23
Other Equity	28	7,14,195.28	6,32,533.22
Total Equity		7,20,795.57	6,39,132.45
Total Liabilities and Equity		30,97,425.00	29,41,525.09

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No. 100515W

Anagha M. Nanivadekar

Partner

Membership No. 121007

Pune, June 11, 2020

Place: Chennai

Date: June 11, 2020

For and on behalf of the Board of Directors of

Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi

Managing Director & CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS			
(i) Interest income	29	5,69,715.83	5,65,641.77
(ii) Dividend income		171.21	166.76
(iii) Fee and commission income	30	1,369.08	1,147.16
(iv) Net gain on fair value changes	31	238.73	890.40
(v) Net gain on derecognition of financial instruments under amortised cost category		2,241.46	2,224.91
(vi) Bad debts recovery		14,657.28	7,806.53
I Total revenue from operations		5,88,393.59	5,77,877.53
II Other income	32	335.14	252.25
III Total income (I+II)		5,88,728.73	5,78,129.78
EXPENSES			
(i) Finance cost	33	2,14,021.03	1,98,619.09
(ii) Fees and commission expenses		13,026.94	15,481.11
(iii) Impairment on financial instruments	34	11,847.86	13,467.86
(iv) Bad Debts Written Off		76,523.26	64,737.84
(v) Employee benefit expenses	35	84,767.10	83,791.07
(vi) Depreciation, amortisation and impairment	36	8,215.79	3,119.55
(vii) Royalty		6,417.14	6,301.61
(viii) Professional Charges		12,095.25	10,477.00
(ix) Other expenses	37	26,314.26	30,102.39
IV Total expenses		4,53,228.63	4,26,097.52
V Profit/(loss) before exceptional items and tax (III - IV)		1,35,500.10	1,52,032.26
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,35,500.10	1,52,032.26
VIII Tax expense:			
(1) Current tax	38	34,240.38	49,637.03
(2) Income tax of the earlier years	38	1,324.24	-
(3) Deferred tax (credit)	38	(116.52)	3,507.43
IX Profit/(loss) for the period (V-VIII)		1,00,052.00	98,887.80
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(340.60)	(1,404.93)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(664.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(115.51)	(491.00)
Subtotal (A)		(889.19)	(913.93)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		(889.19)	(913.93)
XI Total Comprehensive Income for the year (IX+ X)		99,162.81	97,973.87
XII Earnings per equity share			
Basic (₹)	39	151.60	149.88
Diluted (₹)	39	151.57	149.83

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No. 100515W

Anagha M. Nanivadekar

Partner

Membership No. 121007

Pune, June 11, 2020

Place: Chennai

Date: June 11, 2020

For and on behalf of the Board of Directors of**Shriram City Union Finance Limited****Yalamati Srinivasa Chakravarthi**

Managing Director & CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer



STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,35,500.10	1,52,032.26
Adjustments for :		
Depreciation, amortisation and impairment	8,215.79	3,119.55
Loss on sale of fixed assets (net)	33.18	50.62
Bad Debts Written Off	76,523.26	64,737.84
Impairment of financial instruments	11,847.86	13,467.85
Financial Guarantee obligation	(15.65)	(15.60)
Premium on Govt Securities	123.94	123.60
Dividend Income	(171.21)	(166.76)
Interest on Lease Liabilities	1,610.59	-
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(238.73)	(891.14)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(424.37)	(1,306.61)
Operating profit before working capital changes	2,33,004.76	2,31,151.61
Movements in Working capital:		
(Increase) / decrease in loans and advances	(50,615.69)	(1,98,386.91)
(Increase) / decrease in other non financial assets	(2,370.32)	(2,432.77)
(Increase) / decrease in other financial assets	(2,910.33)	(252.03)
(Increase) / decrease in Bank Deposits	(66,770.79)	(10,124.14)
Increase / (decrease) in other financial liabilities	(681.78)	10,027.44
Increase / (decrease) in other non financial liabilities	665.11	(111.11)
Increase / (decrease) in other Payables	567.94	(1,493.48)
Increase / (decrease) in other Provisions	964.86	(1,318.82)
(Increase) / decrease in receivables	(93.12)	-
(Increase) / decrease in Derivative Financial Instruments	(379.00)	-
(Increase) / decrease in investments - T Bills (SLR Investment)	(8,404.13)	8,048.05
Cash generated from operations	1,02,977.51	35,107.84
Direct taxes paid (net of refunds)	(44,409.68)	(49,355.67)
Net Cash from/(used in) operating activities (A)	58,567.83	(14,247.83)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(2,465.27)	(3,407.79)
Sale of Investment in Mutual Funds	20,235.50	(19,930.62)
Sale of Investment in Shares	1,252.24	-
Capital advance for assets	(4.45)	(19.40)
Proceeds from sale of fixed assets	44.19	45.57
Dividend Income	171.21	166.76
Net Cash from/(used in) investing activities (B)	19,233.43	(23,145.48)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	3.44	9.29
Increase/(Decrease) of debt securities	78,137.69	1,38,038.32
Increase/(Decrease) of Borrowings	(69,521.78)	25,991.94
Increase/(Decrease) of Deposits	89,266.19	2,380.74
Increase/(Decrease) of Subordinated liabilities	(41,447.04)	(49,907.06)
Payment of Lease Liabilities	(5,690.52)	-
Dividend paid	(14,518.98)	(11,875.90)
Tax on Dividend	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	33,244.58	1,02,196.33
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,11,045.84	64,803.02
Cash and cash equivalents at the beginning of the year	98,136.94	33,333.92
Cash and cash equivalents at the end of the year	2,09,182.78	98,136.94

(₹ in lacs)

Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash on hand	885.21	8,384.79
Balances with Banks		
- in current accounts	28,208.80	48,007.30
- in deposit accounts having original maturity less than three months	1,80,088.77	41,744.85
Total	2,09,182.78	98,136.94

Notes

- The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities

in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of Matter

Attention is invited to the Note No. 70 included in the financial statements:

- i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Group has granted moratorium up to three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers and has continued recognition of interest. In view of the management, this relaxation does not trigger any significant increase in credit risk.
- ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited as at and for the year ended on March 31, 2020, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our identification and reporting of the Key Audit Matters, in so far as it relates to the subsidiary, is based solely on the report of the other auditor.



INDEPENDENT AUDITOR'S REPORT (Contd.)

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment and Write-offs The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the changes made by the management in PD and LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off.
2	Accuracy of Recognition, measurement, presentation and disclosures of Leases and other related balances in view of adoption of Ind AS 116 "leases", in respect of a subsidiary: The application of the new lease accounting standard involves certain key judgments relating to assessment of whether a contract contains a lease and allocation of the consideration to the lease component on the basis of their relative standalone prices. The company has applied Ind AS 116 using the modified retrospective method w.e.f. 1st April, 2019. The accounting policy adopted by the company is disclosed in Notes to financial statements.	Principal Audit Procedures by the other auditor: We have assessed the Company's process to identify the impact of adoption of the new lease accounting standard. Our audit approach consisted of following substantive audit procedures: ● Evaluated the design of internal controls relating to implementation of the new lease accounting standard ● Reviewed the changes made to the accounting policy of the company to be in accordance with the requirements of Ind AS 116. ● Analyzed the terms and conditions of various contracts entered by the company in order to classify it under the lease contract in accordance with Ind AS 116. ● Reviewed the terms and conditions of the lease contracts based on which lease contract were classified into various types of leases such as finance lease, operating lease, short term, low value lease etc. for proper classification and recognition of lease contracts. ● Verified the various inputs such as discounting rate, lease terms i.e. period of lease, lease payments in order to ascertain the correctness of initial recognition of "right of use assets" and "lease liabilities". ● Verified the subsequent measurement of Right of use assets and lease liability; to ensure whether Right of use asset is depreciated from the date of commencement of lease to the earlier of the end of useful life of the right of use asset or end of the lease term. ● Lease liability is measured correctly by using discount rate by accounting for interest on lease liability, lease payments made and adjustments on account of any reassessment or modification to lease contracts, We have verified that the disclosures made in the financial statements as per the requirements of Ind AS 116.

INDEPENDENT AUDITOR'S REPORT (Contd.)

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



INDEPENDENT AUDITOR'S REPORT (Contd.)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and the subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

- a. We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of Rs. 2,49,810 lakhs as at March 31, 2020, total revenue of Rs. 36,600 lakhs, Group's share of total net profit after tax of Rs. 4,668 lakhs and net cash inflows of Rs. 13,423 lakhs for the year ended on March 31, 2020 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor

INDEPENDENT AUDITOR'S REPORT (Contd.)

whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

- b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2020 from being

appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 (16) of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 44 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2020.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2020.

For G. D. Apte & Co

Chartered Accountants

ICAI Firm registration number: 100515W

UDIN:20121007AAAAAS6644

Anagha M. Nanivadekar

Partner

Membership No.: 121 007

Pune, June 11, 2020



ANNEXURE REFERRED TO IN PARAGRAPH 9 (F) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHRIRAM CITY UNION FINANCE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their

operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future



ANNEXURE (Contd.)

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTER

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co

Chartered Accountants

ICAI Firm registration number: 100515W

UDIN:20121007AAAAAS6644

Anagha M. Nanivadekar

Partner

Membership No.: 121 007

Pune, June 11, 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

(₹ in lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial Assets			
Cash and cash equivalents	9	2,24,053.78	99,584.06
Bank balance other than above	10	97,859.03	30,419.46
Receivables			
(I) Trade Receivables	11	89.76	-
(II) Other than Trade Receivables	11	0.65	4.07
Loans	12	28,60,101.36	28,81,075.06
Investments	13	72,318.17	92,092.40
Other financial assets	14	11,601.04	3,520.10
2 Non-Financial Assets			
Current tax assets (net)	39	15,136.41	5,629.57
Deferred tax assets (net)	39	5,072.77	4,840.74
Property, plant and equipment	15	7,790.02	8,622.48
Intangible Assets	16	768.63	487.40
Right of Use Assets	17	16,578.78	-
Other Non-Financial Assets	18	17,524.27	15,676.45
Total Assets		33,28,894.66	31,41,951.79
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Derivative financial instruments	19	-	297.39
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20	8,096.32	6,535.73
Debt securities	21	4,85,324.94	4,26,704.75
Borrowings (other than debt securities)	22	15,99,030.53	16,25,015.74
Deposits	23	4,01,206.80	3,11,940.61
Subordinated liabilities	24	23,923.91	65,370.95
Other Financial liabilities	25	49,945.42	32,673.91
2 Non-Financial Liabilities			
Provisions	26	4,115.46	2,664.40
Deferred tax liabilities	39	886.48	117.23
Other non-financial liabilities	27	2,379.14	1,646.51
Total Liabilities		25,74,909.00	24,72,967.22
3 Equity			
Equity share capital	28	6,600.29	6,599.23
Other equity	29	7,35,755.92	6,51,830.49
Equity attributable to equity holders of the parent		7,42,356.21	6,58,429.72
Non-Controlling interest		11,629.45	10,554.85
Total Equity		7,53,985.66	6,68,984.57
Total Liabilities and Equity		33,28,894.66	31,41,951.79

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G D Apte & Co

Chartered Accountants

Firm Registration No. 100515W

Anagha M. Nanivadekar

Partner

Membership No. 121007

Pune, June 11, 2020

Place: Chennai

Date: June 11, 2020

For and on behalf of the Board of Directors of

Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarthi

Managing Director & CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)			
Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
REVENUE FROM OPERATIONS			
(i) Interest income	30	5,97,482.90	5,93,428.12
(ii) Dividend income		171.21	166.76
(iii) Fee and commission income	31	1,353.43	1,131.56
(iv) Net gain on fair value changes	32	1,080.88	1,178.75
(v) Net gain on derecognition of financial instruments under amortised cost category		7,706.75	-
(vi) Bad debts recovery		14,823.11	7,984.01
(vii) Other Operating income		665.98	580.19
I Total revenue from operations		6,23,284.26	6,04,469.39
II Other income	33	645.60	290.99
III Total income (I+II)		6,23,929.86	6,04,760.38
EXPENSES			
(i) Finance cost	34	2,30,302.30	2,11,214.62
(ii) Net loss on derecognition of financial instruments under amortised cost category		-	1,691.26
(iii) Fees and commission expenses		13,509.92	15,798.26
(iv) Impairment on financial instruments	35	13,106.41	11,669.22
(v) Bad Debts Written Off		77,823.82	65,198.10
(vi) Employee benefit expenses	36	91,137.37	89,683.31
(vii) Depreciation, amortisation and impairment	37	8,958.28	3,352.51
(viii) Royalty		6,774.69	6,437.45
(ix) Professional Charges		13,228.05	12,300.54
(x) Other expenses	38	28,440.60	32,876.10
IV Total expenses		4,83,281.44	4,50,221.37
V Profit/(loss) before exceptional items and tax (III - IV)		1,40,648.42	1,54,539.01
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,40,648.42	1,54,539.01
VIII Tax expense:			
(1) Current tax	39	35,661.16	49,544.09
(2) Income tax of the earlier years	39	1,325.99	-
(3) Deferred tax	39	340.01	4,442.23
IX Profit/(loss) for the period (VII-VIII)		1,03,321.26	1,00,552.69
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		(331.11)	(1,315.85)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		(664.10)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(112.75)	(461.23)
Subtotal (A)		(882.46)	(854.62)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		(882.46)	(854.62)
XI Total Comprehensive Income for the year (IX+ X)		1,02,438.80	99,698.07
XII Profit/ (Loss) for the period attributable to			
- Owners of the Company		1,02,262.95	1,00,173.93
- Non - Controlling Interests		1,058.31	378.76
XIII Other Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		(883.99)	(868.14)
- Non - Controlling Interests		1.53	13.52
XIV Total Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		1,01,378.96	99,305.79
- Non - Controlling Interests		1,059.84	392.28
XV Earnings per equity share			
Basic (₹)	40	154.95	151.83
Diluted (₹)	40	154.92	151.78

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer



CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,40,648.42	1,54,539.01
Adjustments for :		
Depreciation, amortisation and impairment	8,958.27	3,352.04
(Profit)/Loss on sale of fixed assets (net)	44.85	73.14
Bad Debts Written Off	77,823.81	65,198.09
Impairment of financial instruments	13,106.41	11,669.18
Premium on Govt Securities	123.94	123.60
Interest on Lease Liabilities	1,735.64	-
Dividend Income	(171.21)	(166.76)
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative/ Others	(1,048.93)	(1,200.07)
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(7,373.39)	2,609.56
Operating profit before working capital changes	2,33,847.81	2,36,197.81
Movements in Working capital:		
(Increase) / decrease in loans and advances	(65,719.10)	(2,07,531.88)
(Increase) / decrease in other non financial assets	(2,063.44)	(4,830.18)
(Increase) / decrease in other financial assets	(1,535.24)	(213.43)
(Increase) / decrease in Bank Deposits	(67,372.60)	(10,126.70)
Increase / (decrease) in other financial liabilities	239.48	9,340.77
Increase / (decrease) in other non financial liabilities	732.94	(125.10)
Increase / (decrease) in other Payables	543.44	(1,469.09)
Increase / (decrease) in other Provisions	974.35	(1,229.63)
(Increase) / decrease in receivables	(93.12)	-
(Increase) / decrease in Derivative Financial Instruments	(379.00)	-
(Increase) / decrease in investments - T Bills (SLR Investment)	(8,402.88)	8,050.49
Cash generated from operations	90,772.64	28,063.06
Direct taxes paid (net of refunds)	(46,184.42)	(51,679.93)
Net Cash from/(used in) operating activities (A)	44,588.22	(23,616.87)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed including intangible assets	(2,860.06)	(3,817.52)
Sale of Investment in Mutual Funds	20,235.50	(19,930.62)
Sale of Investment in Shares	7,788.46	(12,077.80)
Capital advance for assets	(4.45)	(19.40)
Proceeds from sale of fixed assets	48.65	52.14
Dividend Income	171.21	166.76
Proceeds from sale of Security Deposits	530.52	444.66
Net Cash from/(used in) investing activities (B)	25,909.83	(35,181.77)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	3.44	9.29
Increase/(Decrease) of debt securities	59,634.49	1,30,121.55
Increase/(Decrease) of Borrowings	(29,784.77)	56,223.82
Increase/(Decrease) of Deposits	89,266.19	2,380.79
Increase/(Decrease) of Subordinated liabilities	(41,447.04)	(49,906.71)
Payment of Lease Liabilities	(6,197.24)	-
Dividend paid on equity shares	(14,518.98)	(11,875.90)
Tax on Dividend Paid	(2,984.42)	(2,441.00)
Net Cash from/(used in) financing activities (C)	53,971.67	1,24,511.84
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,24,469.72	65,713.20
Cash and cash equivalents at the beginning of the year	99,584.06	33,870.86
Cash and cash equivalents at the end of the year	2,24,053.78	99,584.06

(₹ in lacs)

Components of cash and cash equivalents	Year ended March 31, 2020	Year ended March 31, 2019
Cash on hand	888.66	8,387.55
Balances with Banks		
- in current accounts	28,228.92	49,451.66
- in deposit accounts having original maturity less than three months	1,94,936.20	41,744.85
Total	2,24,053.78	99,584.06

Notes

- The above cash- flow statement have been prepared under the indirect method set out in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

For G D Apte & Co
Chartered Accountants
Firm Registration No. 100515W

Anagha M. Nanivadekar
Partner
Membership No. 121007
Pune, June 11, 2020

Place: Chennai
Date: June 11, 2020

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarthi
Managing Director & CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying standalone financial statements of Shriram City Union Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss, statement of Changes in Equity and statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

Attention is invited to the Note No. 70 to the financial statements:

- i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Company has granted moratorium up to six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers and has continued recognition of interest income. In view of the management, this relaxation does not trigger any significant increase in credit risk.
- ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment and Write-offs The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We reviewed the changes made by the management in estimating the PD and the LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, the Report of the Board of Directors and the Report on the Corporate Governance but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge

obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility

Independent Auditor's Report (Contd.)

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Independent Auditor's Report (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 43 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, April 30, 2021

Annexure 1

referred to in Paragraph 8 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2021.

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management and based on our verification, we report that, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, and based on the audit procedures conducted by us, we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, we are of the opinion that the provisions of section 185 of the Act have been complied with by the Company and the provisions of section 186 of the Act are not applicable to the Company.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provisions of the Act and the rules framed there under, to the extent applicable, have been complied with. We were informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Central Government has not specified the maintenance of cost records under section 148 (1) of the Act for the activities carried out by the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us and from the records of the Company, there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that there are no dues in respect of Income tax, Sales tax, Service tax, Customs Duty, Excise Duty, Value added tax, Goods and services tax or cess which have not been deposited on account of any dispute except for following cases:

Name of Statute	Nature of dues	Amount (₹ In lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax Demands	7,687.17	April 2008 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Kerala Value Added Tax, 2003	Value Added Tax	4.65	AY 2007-08	Dy. Commissioner (Appeals) Ernakulum, Kerala
Income Tax Act, 1961	Income Tax	15.71	AY 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	398.80	AY 2018-19	Commissioner of Income Tax (Appeals)

Annexure 1 (Contd.)

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer. Further, monies raised by the Company by way of debt instruments and term loans were applied for the purpose for which those were raised, though funds which were not required for immediate utilisation were invested during intervening period.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no fraud by the Company or fraud on the Company by the officers, employees and customers of the Company has been noticed or reported during the year except fraud of ₹ 5 Lacs in the nature of misappropriation of funds and availing loans by submitting forged documents by employees and customers against whom the Company has initiated legal course of action.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, we report that the Company is registered with Reserve Bank of India as required under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, April 30, 2021

Annexure 2

referred to in paragraph 8(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 2 (Contd.)

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

UDIN: 21121007AAAACB5091

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, April 30, 2021

Standalone Balance Sheet

as at March 31, 2021

₹ in lacs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	8	3,81,528.17	2,09,182.78
Bank balance other than above	9	1,39,908.12	97,053.53
Receivables			
(I) Trade Receivables	10	229.99	89.76
(II) Other Receivables		-	-
Loans	11	27,42,011.64	26,61,252.96
Investments	12	1,01,732.24	73,413.97
Other Financial Assets	13	4,253.43	7,343.68
2 Non-Financial Assets			
Current Tax Assets (net)	36	4,502.79	13,069.56
Deferred Tax Assets (net)	36	12,815.28	5,072.77
Property, Plant and Equipment	14	6,437.72	7,241.02
Intangible Assets	15	204.44	193.18
Right of Use Assets	16	15,618.41	15,487.33
Other Non-Financial Assets	17	11,755.73	8,024.46
Total Assets		34,20,997.96	30,97,425.00
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	18	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	6,729.05	6,077.83
Debt Securities	19	4,26,363.00	4,46,827.65
Borrowings (other than debt securities)	20	15,77,279.14	14,44,625.56
Deposits	21	5,52,888.78	4,01,206.80
Subordinated Liabilities	22	-	23,923.91
Other Financial Liabilities	23	40,962.53	47,848.62
2 Non-Financial Liabilities			
Provisions	24	2,631.25	3,926.79
Other Non-Financial Liabilities	25	2,272.72	2,192.27
Total Liabilities		26,09,145.37	23,76,629.43
3 Equity			
Equity Share Capital	26	6,600.50	6,600.29
Other Equity	27	8,05,252.09	7,14,195.28
Total Equity		8,11,852.59	7,20,795.57
Total Liabilities and Equity		34,20,997.96	30,97,425.00

See accompanying notes forming part of the financial statements.

As per our report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number : 100515W

Anagha M.Nanivadekar

Partner

Membership No.121007

Pune, April 30, 2021

Place: Chennai

Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarti

Managing Director and CEO

DIN: 00052308

Venkataraman Murali

Director

DIN: 00730218

C R Dash

Company Secretary

R Chandrasekar

Chief Financial Officer

Standalone Statement of Profit & Loss

for the year ended March 31, 2021

₹ in lacs

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM OPERATIONS			
(i) Interest income	28	5,57,155.86	5,69,715.83
(ii) Dividend income		190.28	171.21
(iii) Fee and commission income	29	4,721.75	1,369.08
(iv) Net gain on fair value changes	30	131.95	238.73
(v) Net gain on derecognition of financial instruments under amortised cost category		-	2,241.46
(vi) Bad debts recovery		10,869.81	14,657.28
I Total revenue from operations		5,73,069.65	5,88,393.59
II Other income		773.82	320.90
III Total income (I+II)		5,73,843.47	5,88,714.49
EXPENSES			
(i) Finance cost	31	2,13,388.43	2,14,044.86
(ii) Net loss on derecognition of financial instruments under amortised cost category		167.03	-
(iii) Fees and commission expenses		10,384.63	13,026.94
(iv) Impairment on financial instruments	32	285.73	11,847.86
(v) Bad Debts Written Off		84,799.87	76,523.26
(vi) Employee benefit expenses	33	76,366.07	84,767.10
(vii) Depreciation, amortisation and impairment	34	7,984.14	8,215.79
(viii) Royalty		6,254.89	6,417.14
(ix) Professional Charges		13,010.25	12,071.42
(x) Other expenses	35	22,263.68	26,300.02
IV Total expenses		4,34,904.72	4,53,214.39
V Profit/(loss) before exceptional items and tax (III - IV)		1,38,938.75	1,35,500.10
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,38,938.75	1,35,500.10
VIII Tax expense:			
(1) Current tax	36	46,219.68	34,240.38
(2) Income tax of the earlier years	36	-	1,324.24
(3) Deferred tax (credit)	36	(8,375.35)	(116.52)
IX Profit/(loss) for the period (V-VIII)		1,01,094.42	1,00,052.00
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		1,178.74	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		768.97	(664.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		632.84	(115.51)
Subtotal (A)		1,314.87	(889.19)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		1,314.87	(889.19)
XI Total Comprehensive Income for the year (IX+ X)		1,02,409.29	99,162.81
XII Earnings per equity share			
Basic (₹)	37	153.16	151.60
Diluted (₹)	37	152.81	151.57

See accompanying notes forming part of the financial statements.

As per our report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number : 100515W

Anagha M. Nanivadekar

Partner

Membership No.121007

Pune, April 30, 2021

Place: Chennai

Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarti

Managing Director and CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

Standalone Cash flow statement

for the year ended March 31, 2021

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,38,938.75	1,35,500.10
Adjustments for :		
Depreciation, amortisation and impairment	7,984.14	8,215.79
Loss/(profit) on sale of property, plant and equipment (net)	12.12	33.18
Bad Debts Written Off	84,799.87	76,523.26
Impairment of financial instruments	285.73	11,847.86
Unwinding of Financial Guarantee obligation	(117.13)	(15.65)
Amortisation of premium on Government securities	71.20	123.94
Interest on Lease Liabilities	1,718.12	1,610.59
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(131.95)	(238.73)
Net (Gain)/Loss on derecognition of financial instruments under amortised cost category	167.03	(2,241.46)
Lease concessions received	(432.51)	-
Share based payments to employees	1,847.93	-
Dividend Income considered as cash flow from investing activity	(190.28)	(171.21)
Operating profit before working capital changes	2,34,953.02	2,31,187.67
Movements in Working capital:		
(Increase) / decrease in loans and advances	(1,65,666.23)	(50,615.69)
(Increase) / decrease in other non financial assets	(3,714.30)	(2,370.32)
(Increase) / decrease in other financial assets	3,110.90	(2,910.33)
(Increase) / decrease in Bank Deposits	(42,861.05)	(66,770.79)
Increase / (decrease) in other financial liabilities	(14,597.36)	1,135.32
Increase / (decrease) in other non financial liabilities	80.45	665.11
Increase / (decrease) in other Payables	670.12	567.94
Increase / (decrease) in other Provisions	(302.76)	964.86
(Increase) / decrease in receivables	(146.50)	(93.12)
(Increase) / decrease in Derivative Financial Instruments	-	(379.00)
(Increase) / decrease in investments	(27,495.03)	(8,404.13)
Cash generated from operations	(15,968.75)	1,02,977.51
Direct taxes paid (net of refunds)	(37,652.91)	(44,409.68)
Net Cash from/(used in) operating activities (A)	(53,621.66)	58,567.83
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,945.96)	(2,465.27)
Sale of Investment in Mutual Funds	-	20,235.50
Sale of Investment in Shares	-	1,252.24
Capital advance for assets	(16.97)	(4.45)
Proceeds from sale of fixed assets	36.62	44.19
Dividend Income	190.28	171.21
Net Cash from/(used in) investing activities (B)	(1,736.03)	19,233.43

Standalone Cash flow statement for the year ended March 31, 2021 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	0.74	3.44
Increase/(Decrease) of Debt securities	(20,464.65)	78,137.69
Increase/(Decrease) of Borrowings	1,32,653.58	(69,521.78)
Increase/(Decrease) of Deposits	1,51,681.98	89,266.19
Increase/(Decrease) of Subordinated liabilities	(23,923.91)	(41,447.04)
Payment of Lease Liabilities	(5,644.23)	(5,690.52)
Dividend paid	(6,600.43)	(14,518.98)
Tax on Dividend	-	(2,984.42)
Net Cash from/(used in) financing activities (C)	2,27,703.08	33,244.58
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,72,345.39	1,11,045.84
Cash and cash equivalents at the beginning of the year	2,09,182.78	98,136.94
Cash and cash equivalents at the end of the year	3,81,528.17	2,09,182.78

₹ in lacs

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,427.01	885.21
Balances with Banks		
- in current accounts	1,32,365.06	28,208.80
- in deposit accounts having original maturity less than three months	2,43,736.10	1,80,088.77
Total	3,81,528.17	2,09,182.78

Notes

- 1) The above cash - flow statement have been prepared under the indirect method as set out in the Indian Accounting Standard (IND AS) - 7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- 2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- 3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number : 100515W

Anagha M.Nanivadekar

Partner

Membership No.121007

Pune, April 30, 2021

Place: Chennai

Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited****Yalamati Srinivasa Chakravarti**

Managing Director and CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

Independent Auditor's Report

The Members of Shriram City Union Finance Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Opinion

We have audited the accompanying consolidated financial statements of Shriram City Union Finance Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our

audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of Matter

Attention is invited to the Note No. 66 included in the financial statements:

- i. In accordance with the Board approved moratorium policy relating to COVID-19 - Regulatory Package announced by Reserve Bank of India (RBI), the Group has granted moratorium up to six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers and has continued recognition of interest. In view of the management, this relaxation does not trigger any significant increase in credit risk.
- ii. The provision in respect of expected credit losses on loans and advances consequent to COVID 19 pandemic has been made on the basis of estimation of probable defaults and future business estimates. These estimates would be periodically reviewed based on the future business scenario. However, actual results are uncertain and could be different from such estimates.

Our opinion is not modified in respect of the above matters.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment and Write-offs The Recognition and Measurement of Impairment and Write-off of Loans and Advances involves estimates, management judgements and appropriate processing of information from the IT systems because of which the same has been identified as a key audit matter.	Our key audit procedures included: ● We test checked the computation of the Probable default (PD) which denotes the statistical pattern of occurrence of defaults in individual accounts over a period of past five years. ● We also test checked the computation of the ratio of Loss Given Default (LGD) which denotes the non-recoveries (after considering the collections) till the date of Balance Sheet. ● We examined the computation of Impairment Losses by application of PD and LGD and ensured that the entire pool of Loans and advances has been considered for the same. ● We reviewed the changes made by the management in PD and LGD on the background of COVID 19 outbreak and additional ECL provisions made on the basis of above revisions. ● We reviewed the Internal financial controls over data extraction and data validation from the ERP system for computation of PD and LGD with the participation of our internal IT expert. ● We performed analytical procedures for ascertaining of reasonableness of Impairment provisions. ● We carried out a combination of procedures involving enquiry and observation, re-performance on a test basis and inspection of evidence in respect of computation of provisions including considering the situations where additional impairment was required for individual accounts and review of procedures and practices, justification notes and approvals in case of Bad Debts written off. ● Our audit procedures did not reveal any significant inconsistencies with respect to provisions for impairment and write offs.

5. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion & Analysis, Director's Report and Corporate Governance Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

Independent Auditor's Report (Contd.)

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding company and the subsidiary and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Holding Company's and the subsidiary's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Holding company and/or the subsidiary or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of those companies.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and/or the subsidiary to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or the subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated Financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of holding company included in the consolidated financial results of which we are the independent auditors. For the subsidiary included in the consolidated Financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

We did not audit the financial statements of the subsidiary, Shriram Housing Finance Limited whose financial statements reflect total assets of ₹ 3,83,250 lacs as at March 31, 2021, Group's share of total revenue of ₹ 42,833 lacs, Group's share of total net profit after tax of ₹ 6,355 lacs, Group's share of total comprehensive income of ₹ 6,358 lacs for the year ended March 31, 2021 and net cash outflow of ₹ 4,758 lacs for the year ended on March 31, 2021 as considered in the Consolidated Financial Statements, which have been audited by its independent auditor. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

Independent Auditor's Report (Contd.)

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure to this report.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and the subsidiary to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014,

as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 43 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2021.

For G. D. Apte & Co.

Chartered Accountants

ICAI Firm registration number: 100515W

UDIN: 21121007AAAACC5869

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, April 30, 2021

Annexure

referred to in paragraph 9 (f) To The Independent Auditor's Report of Even Date on the Consolidated Financial Statements Of Shriram City Union Finance Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shriram City Union Finance Limited (hereinafter referred to as "Holding Company") as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Holding Company and its subsidiary, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference

to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure (Contd.)

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matter paragraph, the Holding Company and its Subsidiary, which are companies incorporated in India, have in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the subsidiary, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For G. D. Apte & Co.

Chartered Accountants

ICAI Firm registration number: 100515W

UDIN: 21121007AAAACC5869

Anagha M. Nanivadekar

Partner

Membership Number: 121007

Pune, April 30, 2021

Consolidated Balance Sheet

as at March 31, 2021

₹ in lacs

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Financial Assets			
Cash and Cash Equivalents	9	3,91,641.65	2,24,053.78
Bank balance other than above	10	1,44,309.16	97,859.03
Receivables			
(I) Trade Receivables	11	229.99	89.76
(II) Other Receivables	11	-	0.65
Loans	12	30,79,779.88	28,60,101.36
Investments	13	92,406.90	72,318.17
Other Financial Assets	14	16,234.07	12,618.14
2 Non-Financial Assets			
Current Tax Assets (net)	38	4,921.74	15,136.41
Deferred Tax Assets (net)	38	12,815.28	5,072.77
Property, Plant and Equipment	15	6,841.27	7,790.02
Intangible Assets	16	643.36	768.63
Right of Use Assets	17	16,538.88	16,578.78
Other Non-Financial Assets	18	20,146.61	16,507.17
Total Assets		37,86,508.79	33,28,894.67
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises	19	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	8,333.36	8,096.32
Debt Securities	20	4,84,252.82	4,85,324.94
Borrowings (other than debt securities)	21	18,37,472.96	15,99,030.53
Deposits	22	5,52,888.78	4,01,206.80
Subordinated Liabilities	23	-	23,923.91
Other Financial Liabilities	24	43,900.35	49,945.43
2 Non-Financial Liabilities			
Provisions	25	2,738.66	4,115.46
Deferred Tax Liabilities	38	2,536.95	886.48
Other Non-Financial Liabilities	26	2,538.73	2,379.14
Total Liabilities		29,34,681.51	25,74,909.01
3 Equity			
Equity Share Capital	27	6,600.50	6,600.29
Other Equity	28	8,32,153.68	7,35,755.92
Equity attributable to equity holders of the parent		8,38,754.18	7,42,356.21
Non-Controlling Interest		13,073.10	11,629.45
Total Equity		8,51,827.28	7,53,985.66
Total Liabilities and Equity		37,86,508.79	33,28,894.67

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number : 100515W

Anagha M.Nanivadekar

Partner

Membership No.121007

Pune, April 30, 2021

Place: Chennai

Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarti

Managing Director and CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

₹ in lacs			
Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
REVENUE FROM OPERATIONS			
(i) Interest income	29	5,90,296.08	5,97,509.45
(ii) Dividend income		190.28	171.21
(iii) Fee and commission income	30	4,633.54	1,357.20
(iv) Net gain on fair value changes	31	907.24	1,080.88
(v) Net gain on derecognition of financial instruments under amortised cost category		7,422.46	7,706.75
(vi) Bad debts recovery		11,112.38	14,823.11
(vii) Other Operating income		813.31	662.22
I Total revenue from operations		6,15,375.29	6,23,310.82
II Other income		1,411.33	604.53
III Total income (I+II)		6,16,786.62	6,23,915.35
EXPENSES			
(i) Finance cost	32	2,34,071.25	2,30,326.13
(ii) Fees and commission expenses		11,252.43	13,509.92
(iii) Impairment on financial instruments	33	1,662.95	13,106.41
(iv) Bad Debts Written Off	34	85,396.39	77,823.82
(v) Employee benefit expenses	35	83,012.74	91,137.37
(vi) Depreciation, amortisation and impairment	36	8,712.46	8,958.28
(vii) Royalty		6,716.05	6,774.69
(viii) Professional Charges		14,348.64	13,204.22
(ix) Other expenses	37	23,812.53	28,426.09
IV Total expenses		4,68,985.44	4,83,266.93
V Profit/(loss) before exceptional items and tax (III - IV)		1,47,801.18	1,40,648.42
VI Exceptional items		-	-
VII Profit/(loss) before tax (V- VI)		1,47,801.18	1,40,648.42
VIII Tax expense:			
(1) Current tax	38	47,155.66	35,661.16
(2) Income tax of the earlier years	38	(190.33)	1,325.99
(3) Deferred tax	38	(6,935.69)	340.01
IX Profit/(loss) for the period (VII-VIII)		1,07,771.54	1,03,321.26
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plan		1,181.86	(331.11)
Gain/(Loss) on Fair valuation of quoted investments in equity shares		768.97	(664.10)
(ii) Income tax relating to items that will not be reclassified to profit or loss		633.62	(112.75)
Subtotal (A)		1,317.21	(882.46)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A+B)		1,317.21	(882.46)
XI Total Comprehensive Income for the year (IX+ X)		1,09,088.75	1,02,438.80
XII Profit/ (Loss) for the period attributable to			
- Owners of the Company		1,06,352.34	1,02,262.95
- Non - Controlling Interests		1,419.20	1,058.31
XIII Other Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		1,316.68	(883.99)
- Non - Controlling Interests		0.53	1.53
XIV Total Comprehensive Income/ (Loss) for the period attributable to			
- Owners of the Company		1,07,669.02	1,01,378.96
- Non - Controlling Interests		1,419.73	1,059.84
XV Earnings per equity share			
Basic (₹)	39	161.13	154.95
Diluted (₹)	39	160.76	154.92

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number : 100515W

Anagha M. Nanivadekar

Partner

Membership No.121007

Pune, April 30, 2021

Place: Chennai

Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarti

Managing Director and CEO

DIN: 00052308

C R Dash

Company Secretary

Venkataraman Murali

Director

DIN: 00730218

R Chandrasekar

Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2021

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	1,47,801.18	1,40,648.42
Adjustments for :		
Depreciation, amortisation and impairment	8,712.46	8,958.27
Loss/(Profit) on sale of Property, Plant and Equipment (net)	66.15	44.85
Bad Debts Written Off	85,396.23	77,823.81
Impairment of financial instruments	1,662.96	13,106.41
Amortisation of premium on Government securities	71.20	123.94
Interest on Lease Liabilities	1,812.85	1,735.64
Net (Gain)/Loss on sale of investments and Fair value changes of Investment/ Derivative	(907.24)	(1,080.88)
Net (gain)/Loss on derecognition of financial instruments under amortised cost category	(7,422.46)	(7,706.75)
Lease concessions received	(510.91)	-
Share based payments to employees	1,953.07	58.50
Dividend Income considered as cash flow from investing activity	(190.28)	(171.21)
Operating profit before working capital changes	2,38,445.21	2,33,541.00
Movements in Working capital:		
(Increase) / decrease in loans and advances	(3,03,468.07)	(65,719.10)
(Increase) / decrease in other non financial assets	(4,776.75)	(2,063.44)
(Increase) / decrease in other financial assets	3,807.80	(1,561.79)
(Increase) / decrease in bank deposits	(46,388.49)	(67,372.60)
Increase / (decrease) in other financial liabilities	(19,141.14)	572.84
Increase / (decrease) in other non financial liabilities	159.49	732.94
Increase / (decrease) in other payables	703.34	543.44
Increase / (decrease) in other provisions	(299.64)	974.35
(Increase) / decrease in receivables	(146.50)	(93.12)
Increase / (decrease) in derivative financial instruments	-	(379.00)
(Increase) / decrease in investments	(27,494.43)	(8,402.88)
Cash generated from operations	(1,58,599.18)	90,772.64
Direct taxes paid (net of refunds)	(36,540.64)	(46,184.42)
Net Cash from/(used in) operating activities (A)	(1,95,139.82)	44,588.22
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and intangible assets	(2,033.58)	(2,860.06)
Sale of Investment in Mutual Funds	-	20,235.50
Sale of Investment in Shares	8,656.32	7,788.46
Capital advance for assets	(16.97)	(4.45)
Proceeds from sale of fixed assets	49.94	48.65
Dividend Income	190.28	171.21
Proceeds from sale of Security Deposits	347.68	530.52
Net Cash from/(used in) investing activities (B)	7,193.67	25,909.83

Consolidated Cash Flow Statement for the year ended March 31, 2021 (Contd.)

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital including securities premium and share application money	0.74	3.44
Increase/(Decrease) of Debt securities	(1,599.78)	59,634.49
Increase/(Decrease) of Borrowings	2,42,038.33	(29,784.77)
Increase/(Decrease) of Deposits	1,51,681.98	89,266.19
Increase/(Decrease) of Subordinated liabilities	(23,923.91)	(41,447.04)
Payment of Lease Liabilities	(6,062.91)	(6,197.24)
Dividend paid on equity shares	(6,600.43)	(14,518.98)
Tax on Dividend	-	(2,984.42)
Net Cash from/(used in) financing activities (C)	3,55,534.02	53,971.67
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,67,587.87	1,24,469.72
Cash and cash equivalents at the beginning of the year	2,24,053.78	99,584.06
Cash and cash equivalents at the end of the year	3,91,641.65	2,24,053.78

₹ in lacs

Components of cash and cash equivalents	Year ended March 31, 2021	Year ended March 31, 2020
Cash on hand	5,433.39	888.66
Balances with Banks		
- in current accounts	1,38,156.42	28,228.92
- in deposit accounts having original maturity less than three months	2,48,051.84	1,94,936.20
Total	3,91,641.65	2,24,053.78

Notes:

- 1) The above cash-flow statement have been prepared under the indirect method as set out in Indian Accounting Standard (IndAS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- 2) Direct Taxes paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
- 3) All figures in brackets indicate cash outflow.

See accompanying notes forming part of the financial statements.

As per our report of even date
For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number : 100515W

Anagha M.Nanivadekar
Partner
Membership No.121007
Pune, April 30, 2021

Place: Chennai
Date : April 30, 2021

**For and on behalf of the Board of Directors of
Shriram City Union Finance Limited**

Yalamati Srinivasa Chakravarti
Managing Director and CEO
DIN: 00052308

C R Dash
Company Secretary

Venkataraman Murali
Director
DIN: 00730218

R Chandrasekar
Chief Financial Officer

SHRIRAM CITY UNION FINANCE LIMITED

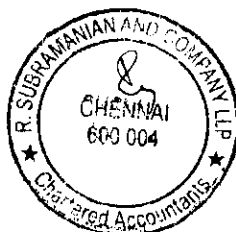
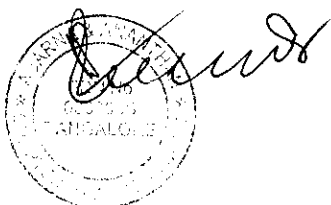
CIN: L65191TN1986PLC012840

Regd Office: No.123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2021

S. no.	Particulars	Quarter Ended			Nine months Ended		Rs in lac
		December 31, 2021 (Unaudited)	September 30, 2021 (Unaudited)	December 31, 2020 (Unaudited)	December 31, 2021 (Unaudited)	December 31, 2020 (Unaudited)	Year Ended March 31, 2021 (Audited)
1	Revenue from operations						
	Interest income	1,58,911	1,51,467	1,39,776	4,55,765	4,15,753	5,57,156
	Dividend income	-	-	190	185	190	190
	Fee and commission income	5,554	1,754	1,198	8,695	2,709	4,722
	Net gain on fair value changes	-	43	62	60	122	132
	Net gain on derecognition of financial instruments under amortised cost category	371	-	-	310	-	-
	Bad debts recovery	5,217	5,069	2,544	12,777	5,879	10,870
	Total revenue from operations	1,70,053	1,58,333	1,43,770	4,77,792	4,24,653	5,73,070
2	Other income	99	92	146	273	630	774
3	Total income (1 + 2)	1,70,152	1,58,425	1,43,916	4,78,065	4,25,283	5,73,844
4	Expenses						
	Finance costs	64,855	61,580	52,150	1,83,893	1,57,796	2,13,388
	Net loss on fair value changes	7	-	-	-	-	-
	Net loss on derecognition of financial instruments under amortised cost category	-	7	49	-	76	167
	Fee and commission expenses	4,416	1,925	4,024	8,111	8,020	10,385
	Impairment of financial instruments	1,244	(113)	(3,181)	7,511	4,476	286
	Bad debts written off	20,603	20,406	20,729	63,636	64,235	84,800
	Employee benefit expenses	25,169	22,616	18,864	70,218	55,428	76,366
	Depreciation, amortisation and impairment	1,981	1,987	1,988	5,892	6,043	7,984
	Royalty	1,854	1,786	1,569	5,169	4,636	6,255
	Professional charges	3,267	3,140	3,089	9,388	9,104	13,010
	Other expenses	8,027	7,435	6,161	19,942	15,310	22,264
	Total expenses	1,31,423	1,20,769	1,05,442	3,73,760	3,25,124	4,34,905
5	Profit / (loss) before exceptional items and tax (3 - 4)	38,729	37,656	38,474	1,04,305	1,00,159	1,38,939
6	Exceptional items	-	-	-	-	-	-
7	Profit / (loss) before tax (5 + 6)	38,729	37,656	38,474	1,04,305	1,00,159	1,38,939
8	Tax expenses						
	Current tax	9,807	9,424	11,754	27,849	32,985	46,220
	Income tax of the earlier years	-	-	-	-	-	-
	Deferred tax	(328)	6	(1,250)	(1,819)	(5,712)	(8,375)
	Total tax expenses	9,479	9,430	10,504	26,030	27,273	37,845
9	Profit / (loss) for the period (7 - 8)	29,250	28,226	27,970	78,275	72,886	1,01,094
10	Other comprehensive income						
	A. Items that will not be reclassified to profit or loss						
	Remeasurement gain / (loss) on defined benefit plan	214	(160)	(37)	(432)	(421)	1,179
	Gain / (loss) on fair valuation of quoted investments in equity shares	976	261	167	760	1,048	769
	Income tax provision / (reversal) relating to items that will not be reclassified to profit or loss	245	66	33	191	158	633
	Subtotal (A)	945	35	97	137	469	1,315
	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)	945	35	97	137	469	1,315
11	Total comprehensive income for the period (9 + 10)	30,195	28,261	28,067	78,412	73,355	1,02,409
12	Paid-up equity share capital (Face value of Rs.10 per share)	6,633	6,606	6,600	6,633	6,600	6,601
13	Other equity						8,05,252
14	Earning per equity share (Not annualized for interim periods)						
	Basic (Rs.)	44.21	42.75	42.38	118.47	110.43	153.16
	Diluted (Rs.)	43.98	42.29	42.28	117.49	110.31	152.81



SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

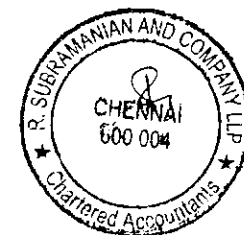
Regd Office: No.123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sect@shriramcity.in

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 standalone 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 During the quarter, the Company allotted 2,66,431 equity shares of Rs.10/- each fully paid, on exercise of options vested to the employees under the Employees Stock Option Scheme 2013.
- 4 During the quarter, the Company granted 3,03,270 number of options to its eligible employees under the Employees Stock Option Scheme 2013.
- 5 The interim dividend of Rs. 10/- per equity share of Rs. 10/- each for financial year 2021-22 declared at the Board Meeting held on October 27, 2021 was paid to shareholders on November 24, 2021.
- 6 During the quarter the Company subscribed to the Rights Issue of 6,66,66,667 equity shares of face value of Rs.10/- each of subsidiary company for cash at a premium of Rs.35/- per share, amounting to Rs. 30,000 lacs. The total fresh investment in Shriram Housing Finance Limited (Subsidiary company) for the nine months ended December 31, 2021 was Rs. 50,000 lacs.
- 7 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.
- 8 The principal business of the Company 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'.
- 9 The Company's secured listed Non-Convertible Debentures (NCDs) aggregating to Rs. 6,56,377 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 Company in favour of respective Debenture Trustee(s) and the Company maintains 100% asset cover for the NCDs and interest thereon.
- 10 As at December 31, 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at Rs.51,095.90 lacs (March 31, 2021: Rs.70,876.72 lacs). The additional ECL provision on account of COVID-19 is based on the Company'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 Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.
- 11
 - (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



SHRIRAM CITY UNION FINANCE LIMITED

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Notes

(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	27	48	396
B	Number of accounts where resolution plan has been implemented under this window	14	38	360
C	Exposure to accounts mentioned at (B) before implementation of the plan	230.08	2,053.78	14,244.88
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	-	-	-

12 Disclosures pursuant to RBI notification- RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

(i) Details of transferred through assignment in respect of loans not in default during the nine months ended December 31, 2021

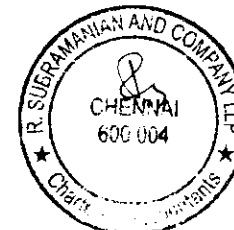
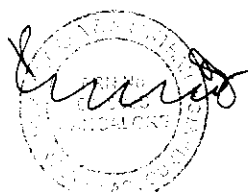
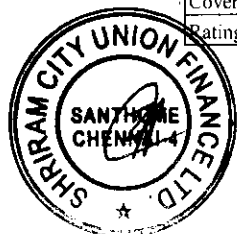
Rs. in lacs

Count of loan accounts assigned	176
Amount of loan account assigned	4,570.02
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	31 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated

(ii) Details of acquired through assignment in respect of loans not in default during the nine months ended December 31, 2021

Rs. in lacs

Count of loan accounts assigned	593
Amount of loan account assigned	2,898.18
Retention of beneficial economic interest (MRR)	10%
Weighted average maturity (Residual Maturity)	74 Months
Weighted average holding period	16 Months
Coverage of tangible security coverage	100%
Rating - wise distribution of rated loans	Unrated



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Notes

(iii) The Company has not acquired or transferred any stressed loan during the nine months ended December 31, 2021.

13 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the company exceeds the total provision required under IRACP (including standard asset provisioning), as at December 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.

14 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.

15 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 I.

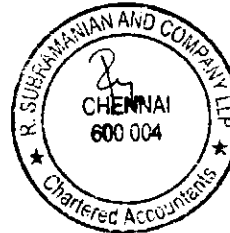
16 Pursuant to the RBI circular dated November 12, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has aligned its definition of default from "Days Past Due Approach as on reporting date to "Days Past Due Approach 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 9.758.69 lacs.

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

18 The above financial results are available at www.nseindia.com, www.bseindia.com and www.shriramcity.in.

Place: Chennai

Date : January 28, 2022



By order of the Board

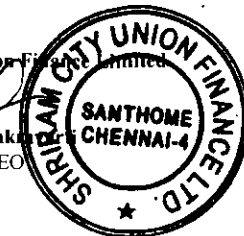
For Shriram City Union Finance Limited

Santhome

Santhome Srinivasa Chakravarthy

Managing Director & CEO

DIN: 00052308



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

Information as required by Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Annexure I

S.No	Particular	Standalone					
		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)	3.46	3.18	3.04	3.46	3.04	3.23
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)	8,58,965	8,31,854	7,69,062	8,58,965	7,69,062	7,90,543
7	Net profit after tax (Rs. in Lacs)	29,250	28,226	27,970	78,275	72,886	1,01,094
8	Earnings per equity share (Not annualized for interim periods)						
	Basic (Rs.)	44.21	42.75	42.38	118.47	110.43	153.16
	Diluted (Rs.)	43.98	42.29	42.28	117.49	110.31	152.81
9	Total debts to total assets	0.76	0.75	0.74	0.76	0.74	0.75
10	Net profit margin (%)	17.19%	17.82%	19.43%	16.37%	17.14%	17.62%
11	Sector specific equivalent ratios :						
	Capital adequacy ratio (%)	27.85%	29.11%	29.57%	27.85%	29.57%	28.64%
	Gross NPA ratio (%)	7.30%	6.86%	6.46%	7.30%	6.46%	6.37%
	Net NPA ratio (%)	3.98%	3.47%	3.16%	3.98%	3.16%	3.08%
	NPA provision coverage ratio (%)	47.35%	51.24%	52.71%	47.35%	52.71%	53.24%
	Leverage Ratio (times)	3.62	3.39	3.28	3.62	3.28	3.50
	Liquidity coverage ratio (%)	359.10%	408.15%	292.21%	359.10%	292.21%	278.14%

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 and Operating profit margin.

2 Formulae for computation of Ratios

a. Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Net worth.

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 as per applicable RBI guidelines.

e. Leverage ratio = Outside liabilities / Adjusted net worth, calculated as per applicable RBI guidelines

f. Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.

g. 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

h. NPA provision coverage ratio (%) = ECL on stage 3 loans / Gross stage 3 loans

3 Liquidity coverage ratio (LCR) is calculated as per circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No. 102/03,10,0001/2019-20 dated November 04, 2019 issued by Reserve Bank of India.

As per the said circular, LCR is applicable from December 1, 2020.

4 Net worth is calculated as defined in section 2(57) of Companies Act 2013.

5 Adjusted Net worth is the Net Owned Fund as per RBI guidelines.

Place: Chennai

Date : January 28, 2022

By order of the Board

For Shriram City Union Finance Limited

S. Srinivas Chakravarti
S. Srinivas Chakravarti
Managing Director & CEO
DIN: 00052308



SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

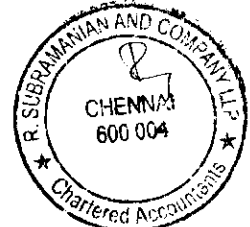
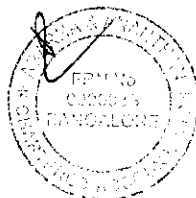
Regd Office: No.123, Angappa Naicken Street, Chennai - 600 001

Website: www.shriramcity.in Email: sec@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	1,84,988	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	82,750	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



SHRIRAM CITY UNION FINANCE LIMITED

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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 consolidated 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.

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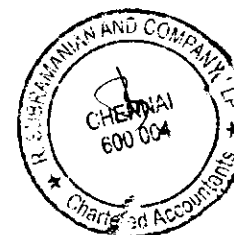
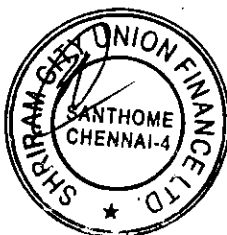
- (i) Disclosure as per format prescribed under notification no. RBI/2020-21/17 DOR No BP BC/4/21 04 048/2020-21 (for restructuring of accounts of Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances having exposure less than or equal to Rs. 25 crores) for the nine months ended December 31, 2021

No. of accounts restructured	Amount (Rs in Laacs)
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

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	-	-	-

Rs in lacs



SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

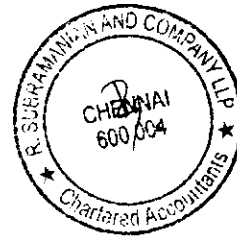
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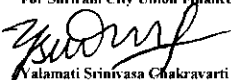
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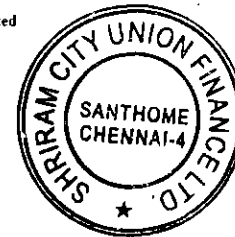
Notes

- 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 I.
- 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

Place: Chennai
Date: January 28, 2022



By order of the Board
For Shriram City Union Finance Limited

Yalamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308



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

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		Quarter Ended			Nine months Ended		Year Ended
Sr.No	Particular	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

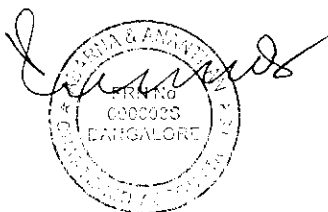
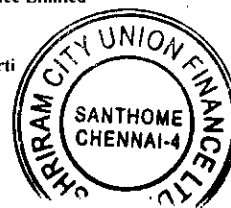
- Debt - equity ratio = (Debt securities + Borrowings (other than debt securities) + Deposits) / Networth.
- Total debts to total assets = (Debt securities + Borrowings (other than debt securities) + Deposits) / total assets.
- Net profit margin = Net profit after tax / total income
- Capital adequacy ratio = Adjusted net worth / Risk weighted assets, calculated under Ind AS as per applicable RBI/NHB guidelines.
- Gross NPA ratio (%) = Gross stage 3 loans / Gross loans.
- 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.
- 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.

Place: Chennai
Date : January 28, 2022

By order of the Board
For Shriram City Union Finance Limited

Satamati Srinivasa Chakravarti
Managing Director & CEO
DIN: 00052308



Abarna and Ananthan.
Chartered Accountants
521, 3rd Main Rd, 2nd Phase, 6th Block,
Banashankari,
Bengaluru - 560085.

R. Subramanian and Company LLP
Chartered Accountants
New No. 6, Krishnaswamy Avenue,
Luz, Mylapore,
Chennai - 600 004.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors of
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Shriram City Union Finance Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. The statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ("Ind AS 34") 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. EMPHASIS OF MATTER

- i. Attention is drawn to Note No 10 of the Statement which describe the fact that the additional ECL provision on account of COVID-19 is made based on the Company'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.
- ii. Attention is drawn to Note 14 of the Statement describing the fact that 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.

6. OTHER MATTER

The numbers and details pertaining to period(s) i.e., Quarter ended December 31, 2020, and for the Period from 01 April 2020 to 31 December 2020 have been traced based on the review reports of G.D. Apte & co, Chartered Accountants ('the Previous Statutory auditors'), whose report dated 29th January 2021 expressed an unmodified conclusion on those unaudited standalone financial results and the numbers and details pertaining to Year ended March 31, 2021 in the Statement have been traced from the Financial Statements of the Company audited by the Previous Statutory auditors whose report dated 30 April 2021 expressed an unmodified opinion on the Standalone Financial Statements.

Our conclusion on the Report is not modified in respect of the above matters 5 & 6.

For R. Subramanian and Company LLP
Chartered Accountants
Firm Registration Number: 004137S/S200041



K. Jayasankar
Partner

M.No. 014156

UDIN: 22014156 AAAA 01727

Place: Chennai

Date: 28th January 2022



For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration Number: 000003S



R. Ramalingam
Partner

M. No. 023253

UDIN 22023253 AAAAAC2939

Place: Chennai

Date: 28th January 2022



Abarna and Ananthan.
Chartered Accountants
521, 3rd Main Rd, 2nd Phase, 6th Block,
Banashankari,
Bengaluru - 560085.

R. Subramanian and Company LLP
Chartered Accountants
New No. 6, Krishnaswamy Avenue,
Luz, Mylapore,
Chennai – 600 004.

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of Shriram City Union Finance Limited pursuant to the Regulation 33 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors
Shriram City Union Finance Limited

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Shriram City Union Finance Limited (the "Holding Company") and its subsidiary (the Holding Company and its subsidiary collectively referred to as 'the Group') for the quarter ended December 31, 2021 and year to date from April 1, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("LODR")
2. This statement is the responsibility of the Holding Company's Management and has been approved by the Board of Directors. The statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind As 34) 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under regulation 33(8) of the Listing Regulations, as amended to the extent applicable.



4. The Statement includes the unaudited financial results/ information of the following entities:

Name of the Entity	Relationship
Shriram City Union Finance Limited	Holding Company
Shriram Housing Finance Limited	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the Consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. EMPHASIS OF MATTER

- Attention is drawn to Note No 7 of the Statement which describe the fact that the additional ECL provision on account of COVID-19 is made 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.
- Attention is drawn to Note 9 of the Statement describing the fact that the Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Group 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.

OTHER MATTER

7. We did not review the financial results of the subsidiary included in the Statement, whose financial results reflect total revenues of Rs. 15779.93 Lacs and Rs. 40403.72 Lacs, total net profit after tax of Rs. 2860.50 Lacs and Rs. 5826.07 Lacs and total comprehensive income of Rs. 2864.99 Lacs and Rs. 5825.32 Lacs for the quarter and Nine Months ended December 31, 2021 respectively. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management of the Holding Company and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.



8. The numbers and details pertaining to period(s) i.e., Quarter ended December 31, 2020, and for the Period from 01 April 2020 to 31 December 2020 have been traced based on the review reports of G.D. Apte &co, Chartered Accountants ('the Previous Statutory auditors'), whose report dated 29th January 2021 expressed an unmodified conclusion on those unaudited consolidated financial results and the numbers and details pertaining to Year ended March 31, 2021 in the Statement have been traced from the Consolidated Financial Statements of the Company audited by the Previous Statutory auditors whose report dated 30 April 2021 expressed an unmodified opinion on the Consolidated Financial Statements.

Our conclusion on the Statement is not modified in respect of the above matters in 6 and 7

For R. Subramanian and Company LLP
Chartered Accountants
Firm Registration Number: 004137S/S200041

K. Jayasankar
Partner
M.No. 014156

UDIN: 22014156AAAAA4520

Place: Chennai
Date: 28th January 2022



For M/s Abarna & Ananthan
Chartered Accountants
Firm Registration Number: 000003S

R. Ramalingam
Partner
M. No. 023253

UDIN: 22023253AAAAAD5157

Place: Chennai
Date: 28th January 2022



CL/PUN/21-22/DEB/60

11.02.2022

Mr. C. R. Dash
Company Secretary,
Shriram City Union Finance Limited
144, Santhome High Road
Mylapore, Chennai – 600 004

Dear Sir,

Re: Consent to act as a Debenture Trustee for Private Placement of Redeemable Rated Secured Listed Non-Convertible Debentures (SNCDs) of face value of ₹10,00,000/- each amounting to ₹150,00,00,000(Rupees One Hundred and Fifty Crores) with an green shoe option of ₹500,00,00,000(Rupees Five Hundred Crores) aggregating upto 6,500 NCDs amounting to ₹650,00,00,000/- (Rupees Six Hundred and Fifty crores) in one or more tranches as partly paid or fully paid under Series-XXXI

We refer to your mail dated 11.02.2022, requesting us to convey our consent to act as the a Debenture Trustee for Private Placement of Redeemable Rated Secured Listed Non-Convertible Debentures of face value of ₹10,00,000/- each amounting to ₹150,00,00,000(Rupees One Hundred and Fifty Crores) with an green shoe option of ₹500,00,00,000 (Rupees Five Hundred Crores) aggregating upto 6,500 NCDs amounting to ₹650,00,00,000/- (Rupees Six hundred and fifty crores) in one or more tranches as partly paid or fully paid under Series-XXXI.

We hereby convey our acceptance to act as Debenture Trustees for the said issue of Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Placement Memorandum/ Offer Document / Information Memorandum / Disclosure Document/Shelf Placement Memorandum/Tranche Placement Memorandum and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulations 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

Assuring you of the best professional services.

Thanking you.

Yours faithfully,

S. B. Halawade

Authorised Signatory



RL/SHCIUNFI/286511/NCD/0222/25556/98135171

February 04, 2022

Ms. Krithika Doraiswamy
Vice President - Finance
Shriram City Union Finance Limited
123,
Angappa Naiackon Street,
Chennai - 600001
8056118749

Dear Ms. Krithika Doraiswamy,

Re: Review of CRISIL Rating on the Rs.1000 Crore Non Convertible Debentures* of Shriram City Union Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA (pronounced as CRISIL double A rating) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. However, the rating continues to be under "Rating Watch with Positive Implications". The Rating Watch reflects an emerging situation, which may affect the credit profile of the rated entity.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crsil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crsil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Rahul Malik
Associate Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



* Unutilised amount of the above is Rs 150 crore

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at CRISILratingdesk@crsil.com or at 1800-267-1301.

CRISIL Ratings Limited

(A subsidiary of CRISIL Limited)

Corporate Identity Number: U67100MH2019PLC326247

Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



Rating Rationale

January 27, 2022 | Mumbai

Shriram City Union Finance Limited

'CRISIL AA/Watch Positive' assigned to NCD; Rating continues on 'Watch Positive'; CP reaffirmed

Rating Action

Rs.500 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Assigned; Placed on 'Rating Watch with Positive Implications')
Rs.600 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.1000 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.200 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.100 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.600 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.3000 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.250 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.100 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.50 Crore Non Convertible Debentures	CRISIL AA/Watch Positive (Continues on 'Rating Watch with Positive Implications')
Rs.3000 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA'** rating to Rs.500 crore Non-convertible Debentures of Shriram City Union Finance Limited (Shriram City) and placed it on **'Rating Watch with Positive Implications'**. Outstanding rating on non-convertible debentures continue to be on **'Rating Watch with Positive Implications'** while the rating of commercial paper was reaffirmed at **'CRISIL A1+'**

Ratings were placed on watch on December 13, 2021, following the board of directors of Shriram Transport Finance Company Limited (Shriram Transport), Shriram Capital Limited (Shriram Capital) and Shriram City approval for the merger of the entities with Shriram Transport. The resultant entity (post the merger subject to necessary approvals) is expected to be renamed as 'Shriram Finance Limited'. Further, Shriram Housing Finance Limited (Shriram Housing), currently a subsidiary of Shriram City, will become a subsidiary of the merged entity, Shriram Finance Limited (85.02% shareholding). The merger process is expected to be completed by the third quarter of next fiscal and is subject to approvals under the applicable law including approvals from the creditors, debenture holders, National Company Law Tribunal, other relevant governmental/regulatory authorities and third parties.

The rating action factored likely improvement in the credit profile of Shriram City as it would be equivalent to the merged entity, Shriram Transport. Therefore, the long-term rating was placed on 'Watch with Positive Implications'. The merged entity will be one of the largest NBFCs in India with consolidated assets under management (AUM) of Rs 1.56 lakh crore based on reported financials as on September 30, 2021. The business risk profile of the merged entity will be also benefit from diversity in product segments, larger branch network and potential for cross sell within the customer segment. Further, CRISIL Ratings also expects the integration impact to be minimal as the merger is within the Group entities with similar

policies for human resources, business practices, systems and management. In terms of profitability, the merged entity's proforma return on managed assets (RoMA) is estimated at 2.2% for fiscal 2021 and 1.7% (annualised) for the first half of fiscal 2022. In comparison, on standalone entity basis, Shriram Transport's reported RoMA stood at 2.0% for fiscal 2021 and 1.4% for first half of fiscal 2022 while Shriram City's RoMA was at 2.9% and 3.5% for similar comparable periods. The merged entity's adjusted gearing is also estimated at 4.1 times as on September 30, 2021 as compared to 4.4 times and 3.1 times for Shriram Transport and Shriram City respectively.

CRISIL Ratings believes that there are many steps and developments, which may potentially need to be considered and approved by regulators before the merger comes into effect. The rating watch will be resolved and final rating action will be taken once there is adequate progress on receipt of requisite approvals for the reorganization and, after taking into consideration other developments pertaining to the merger scheme and company's performance.

The current outstanding ratings of Shriram City continue to reflect the healthy capitalisation levels, earnings profile supported by strong pre-provisioning operating profit (PPOP) margins, Shriram City's strong market position and its linkages to the Shriram Group. The ratings are constrained by the asset quality challenges with the underlying borrower profile and the concentration of exposure in a few states.

As on September 30, 2021, the consolidated AUM of Shriram City Union Finance was Rs 34,680 crore of which 41% was loans to MSMEs, 24% was two-wheeler loans (including used 2W), 13% was gold loans, 12% was housing loans (under Shriram Housing Finance Limited), 8% was personal loans and remaining was auto loans and loan against property (LAP). On standalone basis, the AUM was Rs 30,425 crore as on September 30, 2021, of which 47% was loans to MSMEs, 26% was two-wheeler loans (including used 2W), 14% was Gold loans, 9% was personal loans and remaining 3% was Auto loans and LAP.

Analytical Approach

For arriving at its ratings on Shriram City, CRISIL Ratings has combined the business and financial risk profiles of Shriram City and its subsidiary, Shriram Housing Finance Ltd (Shriram Housing). This is because of common management and the financial support that the latter receives from Shriram City and the overall Shriram group. With the completion of the merger, the credit profile will reflect the combined business and financial risk profiles of the erstwhile Shriram Transport and Shriram City as well as Shriram Housing.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

*** Established competitive position in SME and two-wheeler segments**

Shriram City has well-established market position in SME loan and two-wheeler financing segments. In the SME loan segment, the company is a leading financier among retail NBFCs. The company has grown significantly in the unique space created from its legacy chit fund ecosystem. The main characteristics of SME loan portfolio are that the borrowers have limited documentary income proof and the ticket size is small at average of Rs 10 lakh-Rs 15 lakhs. Shriram City has also been expanding in SME space beyond its chit fund ecosystem, thus leading to faster growth rate in the segment. This SME portfolio, at Rs 14,389 crore as on September 30, 2021 (15,069 crore as on March 31, 2021 and 16,653 crore as on March 31, 2020), was one of the highest among retail NBFCs. In the two-wheeler financing segment, the company is among leading players in the sector with a portfolio of Rs 7,928 crore (including pre-owned of Rs. 1,173 crore) against Rs 7,971 crore as on March 31, 2021 (incl 1,087 crore of used TW) (Rs 6,076 crore as on March 31, 2020). It finances about 90,000 vehicles per month (pre-covid) and competes with large players including private sector banks. These two segments account for over 70% of the consolidated loan portfolio.

*** Healthy capitalisation**

Shriram City has healthy capitalisation underpinned by sizable absolute net worth (standalone) of around Rs 8,549 crores and a tier 1 and an overall capital adequacy ratio of 29.1% respectively as on September 30, 2021. In addition, Shriram City's adjusted gearing (standalone) remains comfortable at 3.1 times as on September 30, 2021, as against 3.2 times as on March 31, 2021 and is expected to remain below 5 times over the next few years on account of expectations of strong accruals to net worth. Further, the net worth to net NPA (calculated per Indian Accounting Standard or Ind-AS) remains adequate at around 8.4 times as on September 30, 2021 (9.3 times as on March 31, 2021, and 6.2 times as on March 31, 2020) thereby providing adequate cushion against inherent asset quality challenges arising from borrower and product profiles. CRISIL Ratings expectation of continued healthy capitalisation of Shriram City factors in the likely equity support from the Shriram group if required.

Shriram City's subsidiary Shriram Housing's capitalisation is also comfortable with a networth (per IndAS) of Rs 807 crore and gearing of 4.2 times as on September 30, 2021 (Rs 576 crores and 5.5 times as on March 31, 2021). Shriram Housing's total capital adequacy ratio (CAR) stood at 23.0% as on March 31, 2021 (27.8% as on March 31, 2020). Overall, the healthy capitalisation is expected to be maintained over the medium term, driven by substantial accruals and expected support from Shriram group, if required.

*** Healthy earnings profile**

The company's healthy earnings profile is driven by focus on high yielding product and customer segments. Earnings have been historically supported by high yield portfolio varying between 14-28% for various portfolios. Consequently, profitability has remained above the industry average over the past few years. Shriram City's return on managed assets stood at 3.5% in the first six months of fiscal 2022 (on standalone basis) against 2.9% for fiscal 2021 (3.1% for fiscal 2020). The pre-provisioning operating profit margin (PPOP margin) has been comfortable at above 6% for H1 of fiscal 2022 and historically has been between 6.4-8.2% in the past 5 fiscals between 2017 and 2021, which is expected to provide cushion for the credit cost which was at 2.7% for H1 of fiscal 2022 and was between 2.4-3.7% in the past 5 fiscals.

*** Benefits derived from linkages with Shriram group**

The company benefits from access to the Shriram group's established branch infrastructure, clientele, management, systems and processes, and investor base. The group has been in the financing business for over three decades, with a strong market position in commercial vehicle finance (through Shriram Transport Finance Company Ltd), retail finance, and chit fund businesses. Shriram City has expanded its target customer segment beyond its traditional chit ecosystem. Nevertheless, a large portion of its clientele in the small enterprise loan segment comprises the group's existing customers or referrals by its existing customers. This facilitates acquisition of customers with established track records while reducing the cost of origination. Shriram City's management is largely drawn from the Shriram group's other businesses and is experienced in the small-ticket retail-finance segment in the semi-urban and rural areas. The group's brand image with retail investors enables Shriram City to source adequate retail funds to meet its growth requirements. CRISIL Ratings believes Shriram City is strategically important to the Shriram group and will continue to benefit from its linkages with the group, given its focus on providing financial services to under-banked segments

Weakness:

*** Exposure to inherent asset quality-related challenges arising from lending to borrowers with modest credit profile**

The company's retail financing business remains susceptible to inherent challenges related to asset quality arising from lending to borrowers with modest credit profile and relatively under-banked customers, despite having in place good credit appraisal and monitoring practices. Primarily the focus is on offering small enterprise financing to self-employed customers in semi-urban and rural areas. The non-regular income pattern and lack of financial flexibility of these borrowers cause higher delinquencies.

However, owing to strong understanding of the SME borrowers, the 90+ days past due (dpd) remained range bound over last few years. The monthly collection efficiency^[1] was impacted in April and May 2021 with the onset of second wave. However, the collections have picked up from July with collection efficiencies reaching about 100%. The asset quality metrics in Q1 of fiscal 2022 were impacted by the lower collections and the gross non-performing assets (GNPA)/ Gross Stage 3 assets increased to 6.91% as on June 30, 2021 from 6.37% as on March 31, 2021. With the collections returning to normalcy, the GNPA improved marginally to 6.86% as on September 30, 2021. The overall restructuring in Shriram City (standalone) was about Rs 335 crore, equivalent to 1.1% of the portfolio as on September 30, 2021. However, CRISIL Ratings notes that the slippages in the early buckets of 31-60 dpd and 61-90 dpd has been higher in all the major segments. Any material disruption in the collection efficiencies and therefore asset quality metrics remains a key monitorable.

*** High geographical concentration in lending portfolio**

The company is focusing on offering small enterprise financing to customers beyond the chit fund clientele and is expanding in hitherto untapped geographies; Although the segment of borrowers has some credit history, this is an untested market for Shriram City. In view of this, CRISIL Ratings believes that asset quality performance, mainly in the small enterprise financing segment, remains susceptible and will remain a key monitorable over the medium term. While the company remains concentrated in the three states of South India namely Andhra Pradesh, Telangana and Tamil Nadu, it is working on expanding into newer geographies with the share of Northern and Western parts of the country together constituting 42% of standalone AUM as on March 31, 2021.

^[1] Collection Efficiency = Total Collections including Overdues (excluding Prepayments) / Scheduled Billing for the month.

Liquidity: Strong

Analysis of Shriram City's asset liability maturity profile as on September 30, 2021, shows cumulative positive mismatches in the upto 5 year bucket. The company continues to receive funding from banks through term loans, securitization/direct assignment and through NCDs. The company has continuously managed to tap various borrowing sources having raised over Rs 13,895 crores in fiscal 2021 and Rs 8,296 crore in H1 of fiscal 2022. The company has also been able to raise funds via retail deposits consistently. The ability of Shriram City to continue to raise funds from diversified sources and competitive borrowing costs is expected to continue to remain adequate going forward as well.

As on December 31, 2021, the company had liquidity of Rs 5,666 crore (comprising of cash and equivalents and unutilized CC/WCDL lines) which comfortably covered around 3 months of debt repayments assuming zero collections. They have total debt payments (including working capital lines which are typically rolled over) of around Rs 3,745 crore till end March 2022. Additionally, the liquidity profile is expected to be supported by collections.

Rating Sensitivity Factors

Upward factors

- Successful completion of the merger with no material impact on the merged entity's financials will result in the overall credit profile of Shriram City to be equivalent to that of the merged entity
- Reduction and sustainability in standalone GNPA below 5%
- Increase in scale of operations while maintaining profitability (RoMA) at the current or higher levels

Downward factors:

- Increase in steady state gearing of above 5 times
- Deterioration in asset quality metrics or collection efficiency levels
- Inability to raise funds from diversified sources on consistent basis and at optimal costs

About the Company

Incorporated in 1986, Shriram City is a part of Shriram group of companies. It is registered with RBI as a systemically important, deposit taking, non-banking finance company (NBFC-SI-D). It predominantly operates in the retail financing segment with a focus on small enterprise loans, two-wheeler financing, gold loans, housing loans and others (auto and personal loans). Its assets under management (including housing portfolio) stood at Rs 33,509 crore as on June 30, 2021 of which the standalone AUM stood at Rs 29,599 crore, while the housing portfolio under Shriram Housing stood at Rs 3,910 crore. The company has pan India presence with 926 branches as on March 31, 2021, of which 67% are situated in South India.

Key Financial Indicators

As on/for the period ending/year ending	Unit	September 30, 2021	March 31, 2021	March 31, 2020
Total AUM	Rs.Cr.	30,425	29,571	29,085
Total income (net of interest expenses)	Rs.Cr.	1,890	3,605	3,747
Profit after tax	Rs.Cr.	656	1,011	1,001
Gross NPA (ECL Stage-3)	%	6.9	6.4	7.9
Adjusted gearing	Times	3.1	3.2	3.3
Return on managed assets	%	3.5	2.9	3.1

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Complexity of instrument	Issue Size (Rs. Crore)	Rating assigned with Outlook
NA	Debentures*	NA	NA	NA	Simple	500	CRISIL AA/Watch Positive
INE722A07BE8	Debenture	21-Dec-2021	9.05	20-Dec-31	Simple	600	CRISIL AA/Watch Positive
INE722A07984	Debenture	25-Sep-2019	9.70	25-Sep-22	Simple	15.83	CRISIL AA/Watch Positive
INE722A07992	Debenture	25-Sep-2019	9.30	25-Sep-22	Simple	13.24	CRISIL AA/Watch Positive
INE722A07AA8	Debenture	25-Sep-2019	-	25-Sep-22	Simple	8.23	CRISIL AA/Watch Positive
INE722A07AB6	Debenture	25-Sep-2019	9.85	25-Sep-24	Simple	52.27	CRISIL AA/Watch Positive
INE722A07AC4	Debenture	25-Sep-2019	9.45	25-Sep-24	Simple	11.06	CRISIL AA/Watch Positive
INE722A07AD2	Debenture	25-Sep-2019	-	25-Sep-24	Simple	5.64	CRISIL AA/Watch Positive
INE722A07901	Debenture	30-Apr-2019	9.65	30-Apr-22	Simple	64.9	CRISIL AA/Watch Positive
INE722A07919	Debenture	30-Apr-2019	9.26	30-Apr-22	Simple	40.84	CRISIL AA/Watch Positive
INE722A07927	Debenture	30-Apr-2019	-	30-Apr-22	Simple	24.62	CRISIL AA/Watch Positive
INE722A07935	Debenture	30-Apr-2019	9.75	30-Apr-24	Simple	66.15	CRISIL AA/Watch Positive

INE722A07943	Debenture	30-Apr-2019	9.35	30-Apr-24	Simple	35.06	CRISIL AA/Watch Positive
INE722A07950	Debenture	30-Apr-2019	-	30-Apr-24	Simple	20.94	CRISIL AA/Watch Positive
INE722A07AH3	Debenture	05-Mar-2020	9.70	05-Mar-22	Simple	550	CRISIL AA/Watch Positive
INE722A07AG5	Debenture	05-Mar-2020	9.25	05-Mar-23	Simple	25	CRISIL AA/Watch Positive
INE722A07AI1	Debenture	09-Sep-2020	8.98	09-Mar-22	Simple	150	CRISIL AA/Watch Positive
INE722A07AJ9	Debenture	06-Oct-2020	8.98	06-Apr-22	Simple	200	CRISIL AA/Watch Positive
INE722A07AK7	Debenture	18-Nov-2020	8.15	18-May-22	Simple	25	CRISIL AA/Watch Positive
INE722A07AV4	Debentures	23-Jun-21	9.00	23-Jun-31	Simple	100	CRISIL AA/Watch Positive
INE722A07AW2	Debentures	23-Jul-21	8.25	23-Jul-24	Simple	50	CRISIL AA/Watch Positive
INE722A07AX0	Debentures	23-Jul-21	8.75	23-Jul-31	Simple	100	CRISIL AA/Watch Positive
NA	Debentures*	NA	NA	NA	Simple	2191.73	CRISIL AA/Watch Positive
NA	Debentures*	NA	NA	NA	Simple	100	CRISIL AA/Watch Positive
NA	Debentures*	NA	NA	NA	Simple	150	CRISIL AA/Watch Positive
INE722A07BA6	Debentures	21-Sep-21	8.65	21-Sep-31	Simple	200	CRISIL AA/Watch Positive
INE722A07BB4	Debentures	21-Sep-21	7.70	21-Dec-22	Simple	350	CRISIL AA/Watch Positive
INE722A07BC2	Debentures	21-Sep-21	3M – T bill linked	21-Sep-24	Simple	300	CRISIL AA/Watch Positive
NA	Commercial Paper	NA	NA	7-365 days	Simple	3000	CRISIL A1+

*Yet to be issued

Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Shriram Housing Finance Limited	Full Consolidation	Subsidiary

Annexure - Rating History for last 3 Years

		Current		2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	3000.0	CRISIL A1+		--	17-12-21	CRISIL A1+	11-11-20	CRISIL A1+	09-09-19	CRISIL A1+	--
			--		--	29-11-21	CRISIL A1+	28-09-20	CRISIL A1+		--	--
			--		--	08-09-21	CRISIL A1+	10-07-20	CRISIL A1+		--	--
			--		--	13-07-21	CRISIL A1+	30-04-20	CRISIL A1+		--	--
			--		--	15-06-21	CRISIL A1+	27-02-20	CRISIL A1+		--	--
			--		--	15-03-21	CRISIL A1+		--		--	--
Fixed Deposits	LT		--		--		--		--		--	Withdrawn
Non Convertible Debentures	LT	6400.0	CRISIL AA/Watch Positive		--	17-12-21	CRISIL AA/Watch Positive	11-11-20	CRISIL AA/Negative	09-09-19	CRISIL AA/Stable	CRISIL AA/Stable
			--		--	29-11-21	CRISIL AA/Stable	28-09-20	CRISIL AA/Negative		--	--
			--		--	08-09-21	CRISIL AA/Stable	10-07-20	CRISIL AA/Negative		--	--

			--		--	13-07-21	CRISIL AA/Stable	30-04-20	CRISIL AA/Negative		--	--
			--		--	15-06-21	CRISIL AA/Stable	27-02-20	CRISIL AA/Stable		--	--
			--		--	15-03-21	CRISIL AA/Stable		--		--	--
Short Term Debt	ST		--		--		--		--		--	Withdrawn
Subordinated Debt	LT		--		--		--	28-09-20	Withdrawn	09-09-19	CRISIL AA/Stable	CRISIL AA/Stable
			--		--		--	10-07-20	CRISIL AA/Negative		--	--
			--		--		--	30-04-20	CRISIL AA/Negative		--	--
			--		--		--	27-02-20	CRISIL AA/Stable		--	--

All amounts are in Rs.Cr.

Criteria Details

Links to related criteria

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[CRISILs Criteria for Consolidation](#)

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

February 07, 2022

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Shriram City Union Finance Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

- INR45.0 billion long-term non-convertible debentures (NCDs): 'IND AA'/Outlook Positive.
- INR17.0 billion Principal protected market linked debenture (PP-MLDs): 'IND PP-MLD AAemr'/Outlook Positive.

Please refer to annexure for details.

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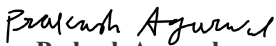
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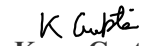
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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings


Prakash Agarwal
Director


Karan Gupta
Director

Annexure: Facilities Breakup

Instrument Type	ISIN	Date Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE722A07AU6*	28-Feb-20	9.25	28-May-24	INR5.0	IND AA/Positive
NCDs	INE722A07AF7	28-Feb-20	9.25	28-Feb-23	INR2.4	IND AA/ Positive
NCDs	INE722A07AN1	08-Feb-21	9.25	08-Feb-30	INR0.1	IND AA/ Positive
NCDs	INE722A07AO9	08-Feb-21	9.5	07-Feb-31	INR0.3	IND AA/ Positive
NCDs	INE722A07AP6	22-Feb-21	9.25	22-Feb-30	INR0.2	IND AA/ Positive
NCDs	INE722A07AQ4	22-Feb-21	9.5	21-Feb-31	INR0.45	IND AA/ Positive
NCDs	INE722A07AP6	25-Mar-21	9.25	22-Feb-30	INR0.3	IND AA/ Positive
NCDs	INE722A07AQ4	25-Mar-21	9.5	21-Feb-31	INR0.3	IND AA/ Positive
NCDs	INE722A07AY8	12-Aug-21	7.95	12-Aug-24	INR2.6	IND AA/ Positive
NCDs	INE722A07BA6	21-Sep-21	8.65	21-Sep-31	INR1.89	IND AA/ Positive
NCDs	INE722A07BB4	21-Sep-21	7.7	21-Dec-22	INR3.5	IND AA/ Positive
NCDs	INE722A07BC2	21-Sep-21	7.48	21-Sep-24	INR 3.0	IND AA/ Positive
NCD	INE722A07BE8	20-Dec-21	9.05	20-Dec-31	INR 6.0	IND AA/ Positive
Utilised					INR26.05	
Unutilised					INR18.95	
Total limit					INR45.0	
Instrument Type	ISIN	Date Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
PP MLD NCD	INE722A07AM3	27-Jan-21	-	27-Jan-23	INR1.5	IND PP-MLD AAem/ Positive
PP MLD NCD	INE722A07AR2	01-Mar-21	-	01-Mar-23	INR4.91	IND PP-MLD AAem/ Positive
PP MLD						IND PP-MLD AAem/

NCD	INE722A07AR2	03-Mar-21	-			Positive
PP MLD NCD	INE722A07AR2	10-Mar-21	-			IND PP-MLD AAem/ Positive
PP MLD NCD	INE722A07AS0	17-Mar-21	-	17-May-23	INR3.0	IND PP-MLD AAem/ Positive
PP MLD NCD	INE722A07AT8	30-Mar-21	-	30-Mar-23	INR2.0	IND PP-MLD AAem/ Positive
PP MLD NCD	INE722A07AZ5	01-Sep-21	-	01-Mar-24	INR2.0	IND PP-MLD AAem/ Positive
PP MLD NCD	INE722A07BD0	23-Nov-21	-	23-May-24	INR3.0	IND PP-MLD AAem/ Positive
Utilised					INR16.41	
Unutilised					INR0.59	
Total Limit					INR17.0	

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

RA

India Ratings Revises Shriram City Union Finance's Outlook to Positive; Affirms 'IND AA'

20

DEC 2021

By Amit Rane

India Ratings and Research (Ind-Ra) has revised Shriram City Union Finance Limited's (SCUF) Outlook to Positive from Stable, while affirming its Long-Term Issuer Rating at 'IND AA' and its 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
Principal protected market linked debentures (PP-MLDs)*	-	-	-	INR17.0	IND PP-MLD AAemr/Positive	Outlook revised to Positive from Stable; Affirmed
Non-convertible debentures (NCDs)*	-	-	-	INR45	IND AA/Positive	Outlook revised to Positive from Stable; Affirmed
Bank loan	-	-	-	INR175	<u>IND AA/Positive</u>	Outlook revised to Positive from Stable; Affirmed
Fixed deposit programme	-	-	-	-	IND tAA/Positive	Outlook revised to Positive from Stable; Affirmed

* Details in Annexure

The suffix 'emr' denotes the exclusion of the embedded market risk from the rating. The rating of the market-linked debentures is an ordinal assessment of the underlying credit risk of the instrument and does not factor in the market risk that investors in such instruments will assume. This market risk stems from the fact that coupon payment on these instruments will be based on the performance of a reference index or equity share (detailed in the information memorandum of the issue).

PP-MLD refers to full principal protection in the equity linked notes wherein the issuer is obligated to pay the full principal upon maturity.

Analytical Approach: Ind-Ra continues to take a consolidated view of SCUF (34.5% owned by Shriram Capital Limited and Shriram Ventures Limited) and Shriram Housing Finance Ltd (SHFL; debt rated at 'IND AA+/Positive, 85% owned by SCUF), to arrive at the ratings. While SCUF mainly provides business loans, SHFL provides housing loans across segments and leverages the Shriram group's ecosystem.

The Outlook revision and rating affirmation primarily reflect the possible benefit of increased scale of operations and significant geographical diversification to SCUF post merger with STFC. The rating affirmation also factors in SCUF's well-established track record in high-yielding segments, adequate capitalisation and liquidity, sufficient profitability buffers to absorb credit costs as well as an improving trend in asset quality since the normalisation of economic activities post pandemic.

KEY RATING DRIVERS

SCUF to Benefit in terms of Scale-up and Geographical Diversification: Ind-Ra expects the merger of SCUF and Shriram Capital merger with Shriram Transport Finance Limited (STFC; IND AA+/Stable) to be credit positive for SCUF. The Positive Outlook reflects the possible benefit of increased scale of operations and significant geographical diversification over the medium term, unless integration challenges prove insurmountable.

The transaction was announced through a public announcement on 13 December 2021. Post the merger, the new entity will be named as Shriram Finance Ltd (SFL). Financials for SFL for 1HFY22 have been linearly added; actual consolidation would result in modestly different metrics. While the actual merger could take time, SFL is also referred to as the combined entity for ease of reference. SCUF has an established track record of over three decades, with an expertise in low-ticket-size and high-yielding products such as small and medium enterprises (SMEs), contributing 47% to the assets under management (AUM) and two-wheeler (contributing 22% to the AUM) lending at end-2QFY22.

The return on assets of SCUF (consolidated) at 3.1% in FY21 was much higher than that of the combined entity at 2.1%. However, the addition of SCUF's 4.3 million customers to STFC's 2.1 million with minimal overlap will create cross-selling opportunities in between lending and other non-lending verticals through geographically distributed (post-merger) branch networks, thus providing geographical diversification for SCUF. The combined entity aims to achieve minimum two products per customer by FY24. The products of STFC and SCUF across each other's branches will be introduced in stages. SCUF's (consolidated) AUM grew at a low CAGR of 2.3% over FY18-FY21; post merger, it will be better positioned to improve franchise growth the medium term.

Furthermore, a larger employee base with significant domain knowledge, benefit of analytics and a more comprehensive product suite will provide an opportunity to increase market penetration and increase share in customer's wallet over the medium term for both the entities. However, training almost 50,000 employees of the consolidated entity with the

mechanics of all the products would be a tall order and hence the cross-sell would be slow to begin with. Ind-Ra opines that execution would be key to realise full synergy benefit from the merger.

Diversification of Funding Mix: Ind-Ra expects SCUF's standalone funding mix as of 1HFY22 (bank loans: 44%; debentures: 21%; retail deposits: 24%; securitisation: 11%) to diversify post the merger (bank loans: 25%; debentures: 18%; retail deposits: 19%; securitisation: 17%, foreign currency borrowings: 16%; sub-debt/others: 4%) with lesser reliance on any one source.

Liquidity Indicator – Adequate: SCUF standalone has been maintaining adequate liquidity to meet minimum three to four months of debt outflows historically. On other hand, STFC has higher liquidity buffers which are adequate to meet six months of the debt outflows. Even for SFL on a proforma basis while the liquidity buffers are being maintained at elevated levels, on a steady-state basis the management remains committed to maintaining three months of liquidity buffers on an ongoing basis.

Adequate Capitalisation: Ind-Ra expects SFL's leverage increase to 4.1x as of 1HFY22 (SCUF standalone : 3.2x, consolidated: 3.5x in FY21), while SCUF will be benefited in terms of scope for growth in the medium term which was a concern last three years. SCUF (standalone) reported a tier-I capital adequacy ratio of 29.1% at end-2QFY22 (FYE21: 28.6%, FYE20: 27.7%, FYE19: 22.75%). The management remains committed to maintaining a minimum common equity tier 1 capital of 14% and a total capital adequacy ratio of 17% for SFL, in line with the current policy on minimum capital requirements. The agency believes that the current capital levels along with internal accruals for the combined entity on a proforma basis provide sufficient room for loan growth in the medium term along with the requirement of buffers for any asset quality shocks.

Merger Integration Cost – No Major Impact: As both SCUF and STFC have similar HR practices and common technology platform, Ind-Ra does not expect merger integration to have a major operating cost impact. Management has estimated an overall cost of INR4 billion, of which one-time stamp duty cost is expected to contribute half, and INR600 million-700 million p.a. for initial two years is budgeted for upskilling and salary-scale rationalisation. The branch overlap is only 50 out of total 3,500 branches of the combined entity, so there is limited scope of branch rationalisation.

Ind-Ra expects the merger process to conclude by October/November 2022, subject to the receipt of all the necessary approvals including those from the shareholders, stock exchanges, the Reserve Bank of India and the other regulators.

Combined Entity to have Higher Stage 3 than SCUF (pre-merger); but will have Adequate Buffers: SCUF's (pre-merger) gross stage 3 and net stage 3 are lower than that of STFC by 100bp and 70bp, respectively. However, SFL (combined entity) as of 1HFY22 will have higher gross stage 3 and net stage 3 ratios than that of SCUF by 60bp and 50bp, respectively, given that STFC's AUM is four times that of SCUF. That being said, SFL's credit costs will be lower by 30bp post the merger, consequently, the pre-provision operating profit/credit cost are estimated to remain above 2x. Furthermore, for SCUF standalone, the regulatory daily recognition of stage 3 assets would result in an uptick on the gross stage 3 assets with minimal impact on the provisioning, as the entity already follows the expected credit loss model for estimating provisioning under IND-AS accounting norms. SCUF's gross stage-3 assets increased to 6.86% in 2QFY22 (FY21: 6.37%, FY20: 7.90%, FY19: 8.9%). That being said, SCUF's (standalone) actual collection efficiency (excluding overdues, prepayments and foreclosures and excluding gold loan collections) has witnessed an improving trend (September 2021: 94%; June 2021: 83%; March 2021: 80%).

RATING SENSITIVITIES

Positive: Sustained growth in SCUF's franchise and funding profile with higher capital market participation at competitive rates and asset quality while maintaining the profitability and liquidity ratios could lead to a positive rating action.

Negative: The following events could individually and collectively lead to a negative rating action:

- merger not being executed within the stated timelines or any integration challenges related to same
- significant deterioration in the asset-liability profile and liquidity position, with the gross stage 3 assets exceeding 10% and/or the net stage-3 assets surpassing and sustaining above 6% in the current recognition regime
- tier 1 ratio falling below 20%

COMPANY PROFILE

SCUF was established in 1986 as a commercial vehicle financier, part of the larger Shriram Group. In FY06, SCUF shifted focus to retail financing which includes small business loans, two-wheeler loans, auto loans, loans against gold, and personal loans. SUCF is one of the largest non-banking financial companies that lends to small businesses directly. It had 971 branches and total loans under management of INR304 billion at end-September 2021.

FINANCIAL SUMMARY (Consolidated)

Particulars (INR billion)	FY21	FY20
Total assets	377.3	332.3
Total equity	82.5	73.6
Net income	10.8	10.3
Return on average assets (%)	3.1	3.2
Debt/Equity (x)	3.5	3.4
Tier-I capital (%)*	28.6	27.7
Source: SCUF; *Standalone		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historic					
	Rating Type	Rated Limits (billion)	Rating	3 December 2021	9 November 2021	24 August 2021	31 May 2021	26 May 2021	23 March 2021

Issuer rating	Long-term/Short-term	-	IND AA/Positive/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+	IND AA/Stable/IND A1+
NCDs	Long-term	INR45	IND AA/Positive	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
Bank loan	Long-term	INR175	IND AA/Positive	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable	IND AA/Stable
Fixed deposit programme	Long-term	-	IND tAA/Positive	IND tAA/Stable	IND tAA/Stable	IND tAA/Stable	IND tAA/Stable	IND tAA/Stable	IND tAA/Stable	IND tAA/Stable
PP-MLDs	Long-term	INR17.0	IND PP-MLD AAemr/Positive	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable	IND PP-MLD AAemr/Stable

ANNEXURE

Instrument Type	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs	INE722A07AU6*	28 February 2020	9.25	28 May 2024	INR5.0	IND AA/Positive
NCDs	INE722A07AF7	28 February 2020	9.25	28 February 2023	INR2.4	IND AA/ Positive
NCDs	INE722A07AN1	8 February 2021	9.25	8 February 2030	INR0.1	IND AA/ Positive
NCDs	INE722A07AO9	8 February 2021	9.50	7 February 2031	INR0.3	IND AA/ Positive
NCDs	INE722A07AP6	22 February 2021	9.25	22 February 2030	INR0.2	IND AA/ Positive
NCDs	INE722A07AQ4	22 February 2021	9.50	21 February 2031	INR0.45	IND AA/ Positive
NCDs	INE722A07AP6	25 March 2021	9.25	22 February 2030	INR0.3	IND AA/ Positive
NCDs	INE722A07AQ4	25 March 2021	9.50	21 February 2031	INR0.3	IND AA/ Positive
NCDs	INE722A07AQ8	12 August 2021	7.95	12 August 2024	INR2.6	IND AA/ Positive
NCDs	INE722A07BA6	21 September 2021	8.65	21 September 2031	INR1.89	IND AA/ Positive
NCDs	INE722A07BB4	21 September 2021	7.70	21 December 2022	INR3.5	IND AA/ Positive
NCDs	INE722A07BC2	21 September 2021	7.48	21 September 2024	INR 3.0	IND AA/ Positive
Utilised					INR20.05	
Unutilised					INR24.95	
Total limit					INR45.0	
PP MLD - NCD	INE722A07AM3	27 January 2021	-	27 January 2023	INR1.5	IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AR2	1 March 2021	-	1 March 2023	INR 4.91	IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AR2	3 March 2021	-			IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AR2	10 March 2021	-			IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AS0	17 March 2021	-	17 May 2023	INR3.0	IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AT8	30 March 2021	-	30 March 2023	INR2.0	IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07AZ5	1 September 2021	-	1 March 2024	INR2.0	IND PP-MLD AAemr/ Positive
PP MLD - NCD	INE722A07BD0	23 November 2021	-	23 May 2024	INR3.0	IND PP-MLD AAemr/ Positive
Utilised					INR16.41	
Unutilised					INR0.59	
Total Limit					INR17.0	

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

BANK WISE FACILITIES DETAILS

[Click here to see the details](#)

COMPLEXITY LEVEL OF INSTRUMENTS

Instrument Type	Complexity Indicator
Fixed deposit programme	Low
Bank loans (short- & long-term facilities)	Low
NCDs	Low
PP-MLD	High

For details on the complexity level of the instruments please visit <https://www.indiaratings.co.in/complexity-indicators>.

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Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

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Applicable Criteria

[Financial Institutions Rating Criteria](#)

[Non-Bank Finance Companies Criteria](#)

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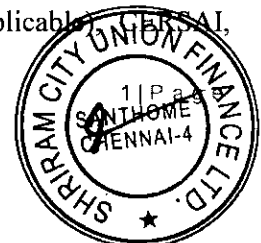
Ankur Dahiya

Manager – Corporate Communication

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Important Terms and Condition of Debenture Trustee Agreement

1. The Company has appointed Catalyst Trusteeship Limited (**Catalyst**) as the Debenture Trustee (**DT**) for the Debenture holders (**DHs**) of all the debentures to be issued by the Company in pursuance of this Disclosure Document and Catalyst agrees to act as DT for the DHs.
2. The Company shall create the securities over its moveable properties and on such terms and conditions as disclosed in the information memorandum and execute the Debenture Trust Deed (**DTD**) which shall consist of two parts: Part A containing statutory / standard information and Part B containing details specific to the particular debt issue and other necessary security documents as approved by the DT, within the timeline as per SEBI circular dated 03.11.2020, prior to filing of the application for listing of the Debentures, in accordance with the extant Debt Listing Regulations. The securities so created shall be registered with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest ("**CERSAI**"), depository or any other institution, as applicable, within 30 days of creation of charge.
3. The Company shall comply with the provisions of SEBI Debenture Trustee Regulations, Debt Listing Regulations, debt listing agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended from time to time), the Companies Act and other applicable provisions under applicable laws, regulations and guidelines ("**Relevant Laws**") in connection with the issuance, allotment, listing and ensuring continued compliance of the Debentures until the redemption in full of the Debentures. Further the Company undertakes to comply with all regulations/provisions of Companies Act, 2013 and guidelines of other regulatory authorities in respect of allotment of debentures till redemption of such Debentures.
4. **Terms of carrying out due diligence:**
 - (a) The Company shall provide all information, representations, confirmations and disclosures as may be required by DT.
 - (b) The DT, either itself or through its agents /advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Disclosure Documents and the Relevant Laws, has been obtained and shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical experts/management consultants appointed by the DT.
 - (c) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by DT. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence shall be solely borne by the Company.
 - (d) The Company shall provide all assistance to the DT to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI,



depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets of the Company or any third party security provider for securing the Debentures, are registered / disclosed.

- (e) In the event that existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the DT shall also have the power to verify such conditions by reviewing the relevant transaction documents and if necessary to intimate existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
5. The Company shall pay to the DT the remuneration for its services as DT in addition to all legal, traveling and other costs, charges and expenses which the DT may incur in relation to execution of the DTD and all other documents executed/to be executed to give effect to the creation of security for securing the Debentures and such any other expenses like advertisement, notices, letters to debenture holders, and additional professional fees / expenses that would be incurred in case of default. The remuneration of the DT shall be as per the letter dated 06.04.2021 of the Company, as may be amended / modified, if required.
6. The Company shall promptly furnish all and any information as may be required by the DT, including such information as required to be furnished in terms of the Relevant Laws and the DTD on a regular basis, including the following documents:
- a. The Disclosure Documents in relation to the issue of Debentures;
 - b. The necessary corporate authorisations by way of board resolution and / or shareholders' resolution necessary for the issue, allotment and the creation of security thereunder;
 - c. The Certificate issued by the Registrar of Companies in relation to the charge created to secure the Debentures;
 - d. Letters from credit rating agencies about ratings;
 - e. Proof of credit of the Debentures in favour of the Debenture holders within the stipulated time.;
 - f. Depository details;
 - g. Latest annual report;
 - h. Debenture Trust Deed and security documents in relation to the Debentures;
 - i. Certified true copy of the resolution(s) for allotment of Debentures;
 - j. Approval for listing of the Debentures from the stock exchange;
 - k. Listing application alongwith the required details / annexures submitted to the stock exchange ;
 - l. Acknowledgement of filing Disclosure Documents with the Stock Exchange/ Registrar of Companies;
 - m. Listing & trading permission from the Stock Exchange;
 - n. Bank account details of the Company alongwith copy of pre-authorisation letter issued by Company to it's banker in relation to the payment of redemption amount;



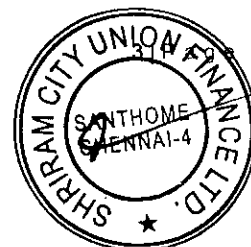
- o. Such other documents as may be reasonably required by the DT in accordance with the Relevant Laws.

7. Information Accuracy and Storage

- (a) Declaration of the Company declares that the information and data furnished by it to DT is true and correct;
- (b) Confirmation by the Company confirms that the requisite disclosures made in the Disclosure Documents are true and correct;
- (c) Confirmation that all disclosures made in the Disclosure Documents with respect to creation of security to be in conformity with the clauses of DTA;
- (d) The Company to authorize DT and its authorized agency to use, process the information in the manner as deemed fit, for the purpose of the due diligence;
- (e) The DT to have an unqualified right to disclose to the DHs the information including the credit history and the conduct of the account(s) of the Company as well as all details in relation to the assets of the Company and all third party security providers, guarantors and other undertaking providers, in such manner and through such medium as the DT in its absolute discretion may think fit, in accordance with and subject to the Relevant Laws.

8. Other Terms and Conditions

- a) The Trustee, *ipso facto* does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures.
- b) Declaration / confirmation by the Company that the assets on which the charge is proposed to be created to secure the Debentures are free from encumbrances and if assets which are required to be charged to secure the Debentures are already encumbered, to obtain permissions or consent to create *pari passu* charge on the assets of the Company from all the existing charge holders.
- c) Confirmation by the Company having made all necessary disclosures the Disclosure Documents including but not limited to statutory and other regulatory disclosures.
- d) The Company shall on or prior to the date of execution of DTD, provide to the DT, the bank account details from which the Company proposes to make the payment of redemption amount due to the DHs and to preauthorize the DT to seek the redemption amount payment related information from such bank.
- e) The Company shall bear all stamp duty and other expenses pertaining to the issue of the Debentures and execution of the transaction documents including the instrument of Debentures.
- f) The Company shall, pay on demand, all actual costs and expenses (including legal fees) incurred by the DT in connection DTA, all expenses incurred in connection with due diligence, fees and expenses of counsel appointed by the DT incurred in connection with the preparation and execution of the transaction documents /



Loan Policy

Shriram City Union Finance Ltd
Business Solution Centre
144, Santhome High Road,
Mylapore-Chennai – 600004.

In the process of enhancing business and providing service in all spheres by way of “Financing to Trade, Manufacturing and Services Sector” a detailed Loan Policy is formulated in tune with the various guidelines, directions and notifications issued by Reserve Bank of India from time to time.

With a view to facilitate for easy understanding and effective handling of the portfolio by the executives concerned, the redrafted and updated Loan Policy is being placed before the Board for its approval and implementation.

This will guide the Company in enhancing the quality of loan assets, credit decision, monitoring and follow-up of the credit portfolio effectively.

The Loan Policy is the mirror of the corporate ideals with focus on our vision and in compliance with the regulator’s guidelines on the lending process.

Placed before the Board

Shriram City Union Finance Ltd
Loan Policy

In terms of the various guidelines issued by Reserve Bank of India, the existing policy of our company has since been redrafted encompassing the various guidelines issued from time to time by RBI to improve the quality in loan assets and to minimise the risk inherent in the portfolio.

Objective:

Our objective is to extend finance to the common man at the shortest possible time. The intent is to reach out to a large cross section of retail customers to meet their financial requirements. Being one of the leading Non-Banking Finance Company, our Mission is that every common citizen has access to his/her financial requirements for consumption and to promote and develop his or her business activity without any hurdles in their way. The intent is to reach out to the unbanked segment of customers and provide financial assistance. Keeping in mind, we, at Shriram City, extend our wings in every nook and corner of the land and hitherto unbanked areas and bring them under the umbrella of financial inclusion by extending finance and helping them in the long run to avail finance from the banking segment as well. Our Vision is that the needy is to be taken care of, for their financial assistance from end to end support with a value addition in their lives and their activities in the business.

KYC and AML Policy

1. BACKGROUND

In compliance with the RBI Master Direction – Know Your Customer (KYC) Directions 2016 and the Prevention of Money-Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005, the following KYC and AML Policy is framed by the Company. The Prevention of Money Laundering Act, 2002 (PMLA), was notified on July 1, 2005.

2. OBJECTIVES

- To formulate system and procedures to control financial frauds, identify money laundering and suspicious transactions.
- To safeguard the Company from being unwittingly used for transfer or deposit of funds derived from criminal activity or financing terrorism.
- To formulate system and procedures for customer identification and verification
- To monitor transactions of suspicious nature
- To know and understand the Customer Profile and background
- To manage/mitigate risk of financing and money laundering
- To implement this policy effectively

3. DEFINITION

“Customer” is a natural person or a legal entity who maintains an account or has a business relationship with the Company in respect of lending by the Company/ investments in the Company including individuals, HUFs, companies, partnership firms, society, mutual funds, Banks, Trusts, overseas bodies, any other institution/entity connected with a financial transaction (which can pose reputational or other risks), and beneficial owners of the aforesaid entities.

4. CUSTOMER IDENTIFICATION PROCEDURE

Customer identification means identifying the customer and verifying his/her identity by using reliable, independent source documents, data or information.

1.1 This procedure is to be carried out while establishing a relationship;

Sufficient information necessary to establish, to the satisfaction, the identity of each new customer, whether regular or occasional, and the purpose of the intended nature of financial relationship has to be obtained.

1.2 For customers that are natural persons, sufficient identification data to verify the identity of the customer, his address/location, and also his recent photograph has to be obtained.

1.3 For customers that are legal persons or entities (i) verify the legal status of the legal person/entity through proper and relevant documents; (ii) verify that any person purporting to act on behalf of the legal person/entity is so authorized and identify and verify the identity of that person; (iii) understand the ownership and control structure of the customer and determine who are the natural persons who ultimately control the legal person.

1.4 Customer identification requirements in respect of a few typical cases, especially, legal persons, require an extra element of caution, if such accounts are accepted in terms of the Customer Acceptance Policy, reasonable measures to identify the beneficial owner(s) and verify his/her/their identity in a manner so that it is satisfied that the beneficial owner(s) is/are identified. Beneficial owner in case of company is a person who has a controlling ownership interest or who exercises control.

1.5 In case of accounts of Non-face to face customers, additional procedures such as certification of all documents presented and the first payment to be made by an account where the intending customer has a relationship with another regulated entity.

1.6 Rule 9(1A) of the Prevention of Money Laundering Rules, 2005 requires identifying the beneficial owner and taking all reasonable steps to verify his identity. The procedure as advised by the Government of India is as under and will be used as a guiding light:

A. Where the client is a person other than an individual or trust, as the case may be, efforts shall be taken to identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the following information,

- (i) The identity of the natural person, who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

Explanation : Controlling ownership interest means ownership of / entitlement to more than 25 percent of shares or capital or profits of the juridical person, where the juridical person is a company; ownership of / entitlement to more than 15% of the capital or profits of the juridical person where the juridical person is a partnership; or, ownership of / entitlement to more than 15% of the property or capital or profits of the juridical person where the juridical person is an unincorporated association or body of individuals.

- (ii) In cases where there exists doubt under (i) as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity of the natural person exercising control over the juridical person through other means.

Explanation: Control through other means can be exercised through voting rights, agreement, arrangements, etc.

- (iii) Where no natural person is identified under (i) or (ii) above, the identity of the relevant natural person who holds the position of senior managing official.

B. Where the client is a trust, identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

C. Where the client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies.

1.6 A system of periodical updation of customer identification data (including photograph/s) after the account is opened is to be followed. The periodicity of such updation should not be less than once in five years in case of low risk category customers and not less than once in two years in case of high risk categories.

1.7 An indicative list of the nature and type of documents/information that may be relied upon for customer identification is given below:

“Officially valid document” (OVD) means the Passport, the Driving Licence, the Voter’s Identity Card issued by the Election Commission of India, Job Card issued by NREGA duly signed by an officer of the State Government, Aadhar card issued by Unique Identification Authority of India containing the details of name, address and Aadhar number.

Explanation: Customers, at their option, shall submit one of the above OVD’s for proof of identity and proof of address.

Provided that where simplified measures are applied for verifying the identity of the customers the following documents shall be OVD:

1. Identity card with applicant's photograph issued by the Central / State Government departments, Statutory / Regulatory Authorities, Public Sector Undertakings, scheduled Commercial Banks and Public Financial Institutions;
2. Letter issued by a Gazetted officer, with a duly attested photograph of the person.

Provided further that where 'simplified measures' are applied for verifying, for the limited purpose of proof of address, the following additional documents are deemed to be OVD's.

1. Utility Bills of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill) which are not more than two months' old.
2. Property or Municipal tax receipt;
3. Bank Account or post office savings bank account statement;
4. Pension or family pension payment Orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if address is mentioned;
5. Letter of Allotment of accommodation from employer issued by State or Central Government departments, statutory or regulatory bodies, Public Sector Undertakings, Scheduled Commercial Banks, financial institutions and listed Companies. Similarly leave and licence agreements with such employers allotting official accommodation.

Where the customer is a Company, The certificate of incorporation, Memorandum and articles of Association, Board Resolution, and the KYC of the person authorized to transact on behalf of the company be obtained. In addition the PAN card and Bank account of the Company be obtained.

Where the customer is a Partnership firm, The Partnership deed, Registration certificate where available, PAN card together with the letter of allotment, bank account reflecting the address be obtained. KYC details of the person executing the documents on be obtained.

Where the Customer is a HUF or a Trust: Registration certificate where available, Trust deed where applicable, PAN card of the HUF / trust, bank account in the name of the entity and the KYC of the person executing the loan documents be obtained.

1.8 In case of instances where the customer name provided in the Proof of identity and Bank Account Holder name do not exactly match, then an affidavit on a Rs.20/ non-judicial stamp paper attested by a notary public with the photo of the applicant matching with any afore mentioned photo identity card issued by a Government authority, is to be obtained to the satisfaction of the officer in the following manner,

- a. The stamp paper is to be purchased in the name of the person providing the affidavit and dated on or before the execution date.
- b. The affidavit must be in the specified format and printed with no handwriting on it, affixed with the latest photo of the applicant.
- c. The notary seal must be affixed over the photograph and notary stamp affixed.
- d. The affidavit must be notarized with the registration number and seal of the notary and duly dated.

e. The date of execution must match with the date of notarization.

I _____, S/o / w/o _____, _____ aged about _____ years, residing at _____ do solemnly and sincerely affirm and state as follows:

1. That I hold a Savings / Current account (no. _____) in _____ Bank, in the name and style of _____.
2. That I hold a voter identity card bearing no. _____ in the name and style of _____.
3. That I hold a UID card bearing no. _____ in the name and style of _____.
4. That the ration card issued reflects my name as _____.
5. That the PAN card (no. _____) issued to me reflects the name as _____.

I hereby solemnly and sincerely affirm that I _____ is also known as _____ as reflected in _____. I hereby give this affidavit for the purpose of availing a loan from Shriram City Union finance Limited.

Dated this _____ day of _____ 20__.

Deponent

5. CUSTOMER ACCEPTANCE:

- Field investigation team of the Company will do Customer verification at residence, place of business for all new Customers to confirm Customer profile, residential stability, family back ground, and financial status.
- If any discrepancies is found in the KYC document while comparing with the original, such document shall be rejected.
- Internal duplication check must be done for all cases based on the parameters provided in the System.
- Telephonic verification on random basis shall be done by the Branch/tele calling unit for new business at the time of creating the Customer folio to cross check Customer.
- The KYC documents shall be verified by marketing executive (ME)/Branch executive/ or any other executive of the Company with the original and an endorsement of "original seen" shall be made on the photo copy retained by the Company .All documents shall be self-attested by the Customer. If the address on the document submitted for identity proof by the prospective customer is same as that declared by him/her in the application form, the document shall be accepted as a valid proof of both identity and address.

- If the address indicated on the document submitted for identity proof differs from the current address mentioned in the application form, a separate proof of address should be obtained.
- For all new Customers, a unique Customer identification number shall be allotted (Customer folio). For all existing Customers, additional loan facilities shall be linked to his/her existing Customer id. This will help to keep track of all the loan facilities availed by the Customer. This will also help in effective monitoring of these accounts and for assessment of risk at any point of time to take decisions.
- Based on the profile of the Customer with respect to his back ground, business, financial dealings the Company may categorise the Customer as caution or negative profile. Accordingly the Company may collect such documents and other information from the Customer depending on the perceived risk of such profile.
- In terms of para 10(h) of the Master Directions a person may be permitted to act on behalf of another person as an 'Agent' provided there is a registered power of attorney permitting him to do so and in such circumstances, the KYC of the person acting as a Power Agent is to be obtained.
- No account shall be opened in anonymous or fictitious names and also where the Customer due diligence is not in place.

Uploading the KYC data of customers in the Centralized KYC Registry

All the RBI regulated entities including NBFCs have been uploading the KYC data of individual customers on the Central KYC Registry (CKYCR) as per the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. RBI has advised vide its Circular dated 18th December 2020 that the CKYCR procedure shall also be applicable to the accounts opened by customers who are Legal Entities (LE). Thus, the company shall be required to upload the KYC data pertaining to the loan accounts of legal entities opened on or after April 1, 2021, as per the procedure laid down in RBI Circular dated 18.12.2020.

6. RISK MANAGEMENT

A Risk based approach includes the following:

1. Customers shall be categorised as low, medium and high risk category, based on the assessment and risk perception.
2. Risk categorisation shall be undertaken based on parameters such as customer's identity, social/financial status, nature of business activity, and information about the clients' business and their location etc. While considering customer's identity, the ability to confirm identity documents through online or other services offered by issuing authorities may also be factored in.

Provided that various other information collected from different categories of customers relating to the perceived risk, is non-intrusive and the same is specified in the KYC policy.

The Company shall categorise its customers into “High Risk”, “Medium Risk” and “Low Risk” based on risk perceived by the Company and shall review it from time to time. The Company shall evaluate this policy by the internal audit team and Risk management team by Post disbursement Customer verification on random basis. Internal audit team is adequately staffed with people who are trained for evaluation of KYC policy and procedure.

7. CEILING AND MONITORING

The acceptance of cash for an amount of Rs. 2 lacs and above (per transaction) is not permitted. This is to be capped in the system and compliance ensured. Recurring cash remittances shall be monitored and analysed and if there are any suspicious transactions, the same shall be reported.

8. RECORDING AND REPORTING

Any suspicious transaction shall be immediately notified with specific reference to the customers, transactions and the nature /reason of suspicion to the Money Laundering Control Officer/Principal Officer or any other officer of the company as decided by the Board/Committee from time to time.

Managing Director is appointed as a “Designated Director” under Rule 2 (ba) of PML Rules, 2005. Principal officer shall furnish information of Cash transactions exceeding the threshold as prescribed by the regulator from time to time, transactions or attempted transactions on counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating a transaction, Suspicious transaction and such other information as prescribed under the Rules from time to time.

Record of transaction of suspicious nature shall be preserved. The respective monitoring units of the Company shall randomly examine select of transaction(s) undertaken by customers to comment on their nature i.e. whether they are in the suspicious transactions or not.

9. CUSTOMER AND STAFF EDUCATION

The Company shall have KYC and AML procedures as one of the subjects in all its training programmes and there shall be adequate training programmes conducted for staff. The staff members shall be trained to talk to customers about this policy and regulations

10. POLICY AMENDMENTS

The KYC and AML Policy effective can be amended by the management team of the Company based on the developments either internal to the Company or due to changes in the external environment or regulatory changes or statutory changes.

LOAN PRODUCTS

- Business loans – Individual, Proprietorship concern, Partnership firms including LLP, Private and Public Limited Companies, Societies, Trusts and Charitable Institutions.
- Vehicle Loans – Individuals, Partnership, Limited companies (both private and public), Trusts, Society and to any Juristic person
- Personal Loans – Individual
- Jewel Loans – Individual

Business Loans: These are loans extended to the business community to meet the immediate requirement of funds. The repayment together with interest shall be month on month either on equated instalments or structured repayment. The Company may also extend loans to small traders / vendors where the repayment can be on a daily basis. The company may also provide option to remit interest month on month and the Principal at the end of the tenure.

Market segment:

- a) Retail stores, Industrial units, property development, vegetable vendor etc.,
- b) Loans to contractors and infra development
- c) Traders and Manufacturers
- d) Service providers
- e) Micro, Small and Medium scale industry

Low Priority Area:

- a) Large Scale Industry;
- b) Manufacturers of Liquor, beverages and distillers;
- c) Cine Industry;
- d) Aqua and Marine Product industry;
- e) Tobacco products traders;

Prohibited Area:

- a) Loans to speculative purposes;
- b) Loans to sensitive commodities;
- c) Loans to Gambling and Casinos;
- d) Loans to industries consuming or producing Ozone Depleting substances (ODS) beyond permissible limit;

Vehicle Loans: The Loans may be extended to purchase (new & used) two wheelers, Auto loans including four wheelers, Commercial vehicles, Tractors, construction equipment etc., Loans may also be extended to borrowers against security of the vehicles owned by them.

Market Segment:

Salaried employees, Self-employed individuals and any juristic person can avail the loan subject to approval as per credit policy.

Security:

The Primary security for the loans are the vehicles and the endorsement shall be in favour of the company. These loans are secured in nature.

Personal Loan: These loans may be extended to individuals. The nature of loan may either be secured or unsecured. Security may be immovable properties, vehicles, deposits with the company where the same is lien marked and shares of listed and unlisted companies.

Market Segment:

Personal loans shall be extended to both open market and also to existing customers. The customer shall either be a salaried or self-employed or a professional to meet their personal expenses. Where a loan is extended to existing customer, the company shall ensure that the account is a Standard Asset.

Digital Platform for lending loans to customers

In recent times, many digital platforms have emerged which offer hassle-free loans to individuals, small traders and other borrowers in the retail and MSME segments. Banks and NBFCs are seen to be engaging digital platforms to provide loan to their customers, either directly through their own lending platforms or through a digital lending platform under an outsourcing arrangement.

Depending upon the needs of the customers and the exigencies of the business, Company may consider the prospect of providing financial services to eligible borrowers through digital platforms (either through our own lending platform or a digital platform under an outsourcing arrangement). This will be in addition to the normal brick-mortar channels of credit delivery as engaged by the company through the years.

In the scenario of the Company doing its lending business for various loan products through the digital platform, it shall follow all the safeguards and precautions in line with the RBI Circular Ref. RBI/2019-20/258 of June 24, 2020 and will ensure that all the transactions shall be done in a transparent manner and adhere to the Fair Practices Code.

Jewel Loan: A separate policy is placed for consideration and approval. The maximum loan to a customer under the Jewel loan policy shall be restricted to Rs.50 lacs and this exposure is not part of the limit for approval of other loans under the authority matrix annexed hereto.

Process Flow: The leads generated by the business teams shall be processed for approval for each of the loans as in the normal course of business. Necessary due diligence shall be done by the Business and Credit Teams in identifying the customers as per KYC guidelines and field verifications wherever necessary shall be carried out by the company. The Credit Team shall take also necessary approvals from the Vice President/appropriate authority as per the Authority Matrix for any deviation or changes which shall be consolidated over the quarter and presented to the Managing Director for ratification. The Managing Director is authorized

to approve any change and also ratify the change in process considering the exigencies in business.

Loan Exposure:

- a) Exposure to Single Borrower: Not exceeding 15 % of Net owned funds;
- b) Exposure to Group: Not exceeding 25 % of Net owned funds;
- c) Exposure to Particular Industry: Not exceeding 20% of Total advances

Ceiling on Unsecured Loan:

The AUM on the total advances under unsecured category cannot exceed 25%. The unsecured book shall comprise of personal loans, the retail and MSME loans which are not secured against any asset. The Loans extended to vehicles are backed by asset and hence they do not fall under the unsecured category.

Documents required for appraisal:

- Application form duly filled
- KYC of the Borrowers and Guarantors
- Financials, Bank Statement or surrogates
- Details of security if any being offered

The Company may call for additional documents as may be deemed necessary. The Proposal shall be appraised as per the credit policy taking into consideration the guidelines as framed from time to time and status communicated to the applicant within 30 days from the date of application.

The Company shall extend “Fund Based” advances only and not “Non-Fund” based advances such as guarantees, letter of credit etc.,

Nature of advances and repayment:

The Company shall in the normal course extend both secured and unsecured loans. The Interest Rate charged by the Company may be either on Fixed rate or Floating rate basis. The interest shall be amortized with the principal and the repayment shall be by way of instalments. The company may offer an equated monthly instalment or a structured repayment. The company may alternatively offer a scheme by which the interest needs to be serviced month on month or on quarterly basis and the Principal repaid at the end of the tenure. The repayment of both the Principal and Interest may also be offered on “Bullet Payment” at the end of the tenure.

Collateral Security:

The collateral security can be in the nature of

- Immovable property owned by the intending borrower / guarantor
- Receivables of the intending borrower and / or guarantor
- Shares of Companies
- Cash collateral / Deposit
- Bank Guarantee
- Jewels where the Loan is against the jewels
- Stock / Inventory

✓ Immovable Property

The Company may accept Residential, Commercial, Industrial Buildings, Sheds, Godown or vacant land as collateral security. A minimum margin of 50% shall be maintained as Margin for the loans except in the case of residential and self-occupied commercial property where the required margin is at 35%. The Loan-to-value (LTV) may be permitted by the Managing Director up to a maximum of 100%.

The charge being created on the property shall either be an equitable mortgage or Registered Mortgage. The title to the property shall be clear and marketable and should be certified by an Advocate. The security shall be valued by an independent valuer and the market value ascertained. The company may obtain a second legal opinion or valuation when deemed necessary by the appraising officer and decide on merits thereto. The original title deeds are to be deposited with the Company as security or held by a bank in trust for the benefit of the company, for the loan extended to a borrower. A deed of mortgage needs to be executed by the mortgagor. The Company is at liberty to accept or decline the security being offered for any reason whatsoever. The company may partly release the security offered by the Borrower subject to satisfaction of margin requirements. The company need not look to insist on covering insurance for the property being offered as security.

✓ Loan against receivables

The company may extend loans and accept trade receivables as security. Ageing analysis of the receivables need to be done and ascertained. If any due is outstanding for more than six months, such receivables shall be excluded and margin arrived at. A margin of 25% shall be maintained for funding against receivables. If the payment cycle in an industry is beyond three months then the period of outstanding shall be reckoned at nine months as against the six months mentioned above.

The Company may accept rent receivables as security. Expected rent receivables of an intending borrower / guarantor may be assigned to the Company for credit to the loan repayable by them. It shall be ensured that the rent due and payable by the lessee shall be

atleast 75% of the EMI payable by the borrower. The period of lease as against the maturity of the loan shall cover atleast 75% of the tenure of the loan.

✓ **Cash collateral / Deposit**

The company may accept cash collateral as security for a loan. The cash collateral security may be in the form of a fixed deposit with the company. Where a person has offered the deposit made by him as a security for a proposed loan, the company shall obtain the receipt duly discharged and hold the same as security for the loan. In the event of default the company may foreclose the deposit and adjust the proceeds to the loan account in part or full satisfaction of the loan. The extent of deposit may be as contractually agreed between the parties. Deposits may also be placed by the Borrower with scheduled commercial banks / NBFC's and lien marked to us. Similarly, the deposits placed with us may be lien marked to others as permitted under law.

✓ **Stock / Inventory**

The Company may accept stock / inventory of a business enterprise as a collateral security. The Borrower shall provide a self-certified declaration of the inventory on hand on a quarterly basis. The extent of security shall be twice the loan value.

✓ **Bank Guarantee**

The Company may accept a bank guarantee as a security and extend a loan. Such guarantees shall be for a minimum of 50% of the loan amount. In the event of default by the borrower, the company may invoke the bank guarantee to realize the dues.

Swapping of security:

The company is at its discretion to permit or otherwise a swap of the security provided by the Borrower / Guarantor. In the event of swap of a security, the Company shall carry out the due diligence process of obtaining a legal opinion and valuation and subject to satisfactory report, permit swapping of the security.

Top-up of Loans:

A request for top-up of existing loan may be considered provided the following conditions are satisfied:

- a) Satisfactory Past track record;
- b) Repayment of existing loan is in order;
- c) Security coverage (if security is provided) is adequate;

Top up loans shall be either disbursed to the customer or to the authorized person in full or in part. The Company may adjust the proceeds of the top up loan to an existing loan of the customer if so authorized by the customer. Where the top up loan is adjusted in part to the

existing loan of the customer, the balance loan amount shall be disbursed to the customer or to the authorised person.

Restructuring of an Existing Loan:

The loan may be restructured by way of altering the terms of repayment of the amount outstanding. The account may either be a standard asset or under the NPA. The provisioning for such restructured loans shall be as per guidelines of RBI, from time to time.

Eligibility condition for restructuring of advances:

The Company may restructure an account which is classified as 'standard', 'sub-standard' or doubtful. Interest shall not be funded in a restructured loan. Where interest is funded on a restructured loan, provision equivalent to the interest so funded shall be made by the Company. An asset cannot be classified with retrospective effect and the status of classification as on date of restructuring shall continue, post restructuring as well. The revised terms and conditions of restructuring should be accepted by the customer and necessary documents executed. The financial viability needs to be established before restructuring. Fraudulent accounts and BIFR cases do not qualify for restructuring.

A loan account may be restructured once, to allow borrowers to pay back the dues, either by way of revision in rate of interest or change in tenure or by extending further loan on revised terms. The loan may be restructured with a hair cut in the amount receivable, too. The restructuring could be a combination of all three as well. The asset so restructured may be Standard or Sub-standard or doubtful. A restructuring of the loan shall be permitted with a fee not exceeding 2% of the loan amount in the restructured account. The restructuring does not preclude the company from initiating any insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) 2016, against a specific borrower. Classification of account and Provisioning shall be as per guidelines applicable from time to time in respect of restructured accounts.

Where a loan account is Standard, and where such borrower intends to avail additional loan and where a part of the proceeds of such loan is to be utilized to close the existing finance facility by transfer of part of the funds to the old loan account, the same may be permitted. This shall not be construed as ever-greening as it is permitted only for 'Standard Accounts'. However, provisioning shall be done in terms of regulations as applicable from time to time.

RBI Resolution Framework 2.0. for Covid19 Stress Cases:

The second wave of the Covid-19 pandemic has led to significant financial stress for borrowers across the board which has affected their cash flow generating abilities. Such borrowers are unable to service their debts on time.

In view of Covid-19 situation, the Reserve Bank of India vide its Circular No. RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 and Circular No. RBI/2021-22/32-DOR.STR.REC.12/21.04.048/2020-21 dated May 5, 2021, provided a special window under the Prudential

Framework, to enable the lending institutions to implement a resolution plan in respect of loans to individuals, small businesses and MSMEs for eligible borrowers. Importantly, the loan accounts which are restructured under this Resolution Framework 2.0 for Covid19 stress, shall remain as Standard assets without a downgrade in their classification.

Loans given to individuals, small businesses and MSMEs are eligible for restructuring of their loans with the Company based on the following eligibility conditions:

1. The borrower's aggregate exposure to all financial institutions should not exceed Rs.25 crores as on 31st March 2021.
2. The borrower should not have availed loan restructuring under the RBI Resolution Framework 1.0. of August 2020, subject to special exemption mentioned as per Clause 22 of Circular No. RBI/2021-22/31/ DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.
3. The loan account with the Company must be Standard as on March 31, 2021.
4. The loan can be restructured up to a maximum of 24 months from the last due date of the existing schedule of repayments, including any moratorium to be granted under the resolution plan for restructuring.

The detailed Policy on loan restructuring under RBI Resolution Framework 2.0., has already been approved by the Board in the month of May 2021.

Rescheduling of Payment: In the event of a borrower disposing of an asset either mortgaged to us or otherwise or where the borrower raises resources to repay a part of the Principal amount, then the instalments for the remaining tenure shall be reduced proportionately and this shall not be construed to be restructuring. This may be permitted to enable the borrower to reduce his monthly obligations keeping the rate of interest and tenure constant. This may be permitted irrespective of the nature of asset classification. However the guidelines in respect of classification of asset shall be adhered to as per guidelines. The Company may also permit reduction in the rate of interest in an existing loan to retain the customer in its books and such reduction in the rate of interest to the benefit of the customer especially in the context of 'customer retention' in a Standard account shall be continued to be classified as "Standard Asset".

The company may extend loans with Bullet repayment where Principal and interest is repayable at the end of the tenure and / or on interest servicing model and where the interest is payable periodically and the Principal is paid at the end of the tenure. These schemes are in operation besides the model where the repayment is to be made in equated instalments and / or where the repayments are on a step down or step up method. The borrower may be permitted to switch over from one scheme of repayment to another during the tenure of the loan agreement without altering the rate of interest and tenure, for a fee not exceeding 2%. This shall not be construed as restructuring as long as the asset as on date of 'Switch over' is a Standard asset.

Take-over of Loans:

The Company may take over the existing loan(s) of an individual / entity by extending a loan to the person. Take-over of a loan may be from a Bank or NBFC. The take-over of a loan could include personal loans, CC limits, term loans and any other facility that the borrower may have with an individual, NBFC, Bank, Housing Company or from any other legal entity. In the event of a take-over, the loan amount or part thereof may be paid to the creditor on behalf of the borrower, in (part) satisfaction of the claim that the creditor has against the borrower. The terms of take over shall be contractual between the parties and is market driven.

Where the company takes over a secured loan and where the charge on the security with the creditor has to be relinquished, the company shall follow up with the customer and arrange to create a charge on the security on receipt of the relevant documents.

Bullet Payments:

Normally loans are repayable on a monthly basis. The monthly repayment shall comprise of principal and interest. The company may however extend loans repayable on “Bullet Repayment” basis subject to the sanction of the appropriate authority. The percentage of AUM on such loans shall not exceed 20% of the total AUM.

Flexi Loan Accounts:

The company may extend “Flexi loan” to a customer where a line of credit is provided to the intending borrower. The maximum tenure permissible under the product “Flexi Loan” shall be five years. The customer may withdraw in part or in full anytime during the 1st three years and service the interest month on month. The customer may also repay part of the Principal and draw the same again during the first three years. Fresh drawal of un-utilized limit shall be permitted only where the interest is serviced by the customer upto the previous month. The interest shall not be adjusted from and out of the fresh disbursement. At the end of three years, the loan is repayable in equated monthly instalments in the remaining two years at the same rate of interest for which the limit was sanctioned. Processing fee not exceeding 3% shall be collected upfront for the entire limit. These loans shall only be Secured Loans

Sanction of limits and disbursement in tranches

The Company may sanction a limit to a customer and disburse the amount in tranches. Each of the disbursement shall have a repayment schedule which may be either independent or combined. Such disbursement may be made to the borrower or to the authorized person and the loan transaction shall be part of the Composite loan agreement. The Company shall adhere to the guidelines of the regulator in this regard.

Delegated Authority and Powers:

The delegation of authority is provided under the credit policy for approval of a loan. The Managing Director is authorized to approve the waiver of any of the conditions of the credit policy and also waive any charges, fees, interest and Principal in respect of the loan accounts. He is authorized to delegate such powers from time to time to the executives of the Company. The loan approval authority matrix for customers who qualify based on financials and credit program is as per annexure 1 and those based on surrogates and / QCA is as per annexure 2 & 3. Annexure 4 is the matrix for waiver of bank charge, overdue interest, broken period interest, instalments due, Principal outstanding, legal and other expenses and the executives may exercise the powers accordingly. The Company shall adhere to the Authority matrix as per Annexures here to. The Managing Director is hereby permitted to approve Loans individually for loans up to Rs.5 crores. In respect of those loans exceeding Rs.5 crores, the loan shall be approved by any two persons of a committee consisting of CFO / ED / President (West) plus the Managing Director. Any loan exceeding Rs.50 crores to a single customer, would require the approval of the Board. The Managing Director shall have the power to waive the balance amount due in any account, independently.

Exception to the Approval matrix:

Where a loan account was restructured in accordance with the RBI Circulars No. RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 and No. RBI/2020-21/32/DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021, the restriction on approval of such restructured loan up to Rs.50 crores be exempted, subject to the condition that such restructuring is only to an existing loan account and that there is no fresh outflow. All other terms & conditions of the loan policy shall be adhered to by the Company.

Tenure of Loans: The Company shall extend loans in line with the credit policy and the tenure for the loans shall be within the limit prescribed here under

Business loans – Secured – 180 months

Business loans – Unsecured – 120 months

Personal Loans – Secured – 84 Months

Personal Loans – Unsecured – 60 Months

Two wheelers – New – 48 Months

Two wheelers – Used – 36 Months

Auto Loans – New – 84 Months

Auto Loans – Used – 60 Months

Overdue interest: Where there is a delay in remittance of instalments the company shall charge overdue interest @ 36% p.a on the instalments outstanding from time to time. This does not prevent the company from taking any legal action and repossessing the asset by issuing a notice to the borrower.

Bank Charges: The Company may charge a flat amount of Rs.1000/ per instance of cheque / ACH bounce in case of a business loan and Rs.500/ per instance of cheque bounce in case of other loan products.

Collection charges: The Company may levy collection charge of an amount not exceeding Rs.500/ per visit to the customer's place for recovery of dues, in case the customer is residing

in the location where the office is situated. Where the officer of the Company visits the customer from the Regional / Head office then the actual expenses incurred by the Company for recovery is payable by the customer.

Foreclosure charges: Where a customer proposes to foreclose a loan account (in the absence of any lock-in-period), the Company shall levy a foreclosure charge as below:

- 4% on the Principal outstanding if the account is foreclosed within 12 months
- 3% on the Principal outstanding if the account is foreclosed within 24 months but after 12 months
- 2% on the Principal outstanding if the account is foreclosed after 24 months
- Additional 2% on the Principal Outstanding where the loan is being taken over by another financier.

The above foreclosure charges may however be varied by a senior executive not below the rank of a Vice President. In such a case, the terms agreed to with the customer shall prevail.

Foreclosure charges for loan accounts with lock-in-period: The foreclosure charges for such customer shall be 4% on the Principal outstanding. An additional 2% shall be charged if the loan is taken over by another financier. The President / Executive Director / Managing Director are permitted to delegate the power to charge 4% or lower for different tenure of foreclosure.

Lock-in-period: The Company operates in a competitive environment and to cover the cost of acquisition restrict foreclosure of the loan account in certain cases as negotiated with the customer at the time of sanction. The company may restrict foreclosure of a loan by not more than 15 months from the date of loan agreement. The foreclosure charges for such cases may be as agreed to with the customer at the time of sanction.

While the company does not in the normal course permit foreclosure of the account during the lock-in-period, the Company may on approval of the President / Executive Director / Managing Director, permit the customer to foreclose the loan account during the lock-in-period and in which case, the Company may propose to charge upto 4% over and above the applicable rate immediately succeeding the lock-in-period, and on acceptance by the customer permit waiver of the lock-in period". Approval to permit foreclosure during lock in period shall be at the discretion of the executive of the Company as it is a change to the terms of the loan agreement executed by the Customer.

Encl:

Annexure 1, 2, 3 & 4