MONEY WHEN YOU NEED IT MOST

Ref: STEC NSE/BSE 330/2021

July 4, 2021

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

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

Sir,

ISIN – INE722A01011
Ref: Scrip Code: BSE – 532498 and NSE – SHRIRAMCIT

As required under Regulation 34 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year ended March 31, 2021 alongwith the 35th Annual General Meeting ("AGM") Notice together with the explanatory statement which is being sent to the members of the Company by electronic mode.

The 35th AGM of the Company will be held on Thursday, July 29, 2021 at 10.00 am IST at Chennai through Video Conferencing / Other Audio Visual Means.

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

Thanking you,

Yours faithfully,
For Shriram City Union Finance Limited,

CHITTA RANJAN DASH

Digitally signed by CHITTA RANJAN DASH
DN: c=IN, o=Personal, pseudonym=253e75881954f0ed609677036030e35c529e49b1591ac1efb56a0d4aa0fa45e9, postalCode=600059, st=TAMIL NADU, serialNumber=bba80f72467cc10e019f7ab1abd4b8bf3ae10e30333e89c7c430fa8dca68393b, cn=CHITTA RANJAN DASH
Date: 2021.07.04 21:51:58 +05'30'

Company Secretary

Encl:a..a

Shriram City Union Finance Limited
Business Solution Centre,144, Santhome High Road, Mylapore, Chennai – 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430
Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431
E-mail : shriramcity@shriramcity.in Website : www.shriramcity.in
Corporate Identification Number (CIN) L65191TN1986PLC012840

SHRIRAM CITY UNION FINANCE LIMITED

CIN: L65191TN1986PLC012840

Regd. office: 123, Angappa Naicken Street, Chennai 600 001,

Tamil Nadu. Telephone No + 91 44 25341431

Secretarial Office: 144,Santhome High Road, Mylapore, Chennai-600004.

Telephone No +91 44 43925300

Website: www.shriramcity.in ; Email: sect@shriramcity.in

NOTICE OF THE THIRTY FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS

Notice is hereby given to the members of Shriram City Union Finance Limited, Corporate Identification Number - L65191TN1986PLC012840 ("Company") that Thirty Fifth Annual General Meeting ("AGM") of the members of the Company will be held on Thursday, July 29, 2021 at 10 a m IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")at Chennai to transact the following business.

ORDINARY BUSINESS:

Item no - 1: Adoption of standalone financial statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon be and are hereby considered and adopted."

Item no - 2: Adoption of consolidated financial statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 together with the report of the Auditors thereon.

"RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors be and are hereby considered and adopted."

Item no-3 : Declaration of dividend

(i) To declare final dividend of ₹ 13/- per equity share of ₹ 10 each of the Company.

"RESOLVED THAT the Members of the Company declare and authorise payment of final dividend of ₹ 13/- (Rupees Thirteen only) per equity share of face value of of ₹ 10 each subject to deduction of tax at source, as applicable for the financial year ended March 31, 2021 to those Members whose names appeared in the Register of Members or who were beneficial owners of equity shares of the Company as on the record date being July 22, 2021.

(ii) To confirm the payment of interim dividend (first and second) @ ₹10 respectively per equity share of ₹ 10 each of the Company and paid during the financial year ended March 31, 2021.

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (first) of ₹ 10 (Rupees ten only) per equity share of face value of ₹ 10 each aggregating to an amount of ₹ 66,00,43,220/- (Rupees Sixty six crores forty three thousand two hundred twenty only) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2021 paid on November 23, 2020 .

"RESOLVED THAT the Members of the Company record and confirm payment of Interim Dividend (second) of ₹ 10 (Rupees ten only) per equity share of face value of ₹ 10 each aggregating to an amount of and ₹ 66,00,50,220/- (Rupees Sixty six crores fifty lacs two hundred and twenty) subject to deduction of tax at source, as applicable for the financial year ended March 31, 2021 paid on April 19, 2021."

Item no-4 : Retirement of Director by rotation

To consider and if thought fit, to pass the following resolution as an ORDINARY RESOLUTION.

To appoint a Director in place of Sri Duruvasan Ramachandra (holding Director Identification Number 00223052) who retires by rotation under Section 152 (6) of the Companies Act, 2013 and being eligible seeks re-appointment.

"RESOLVED THAT the approval of members of the Company be and hereby accorded, pursuant to Section 152 and other applicable provisions of Companies Act, 2013 to the re-appointment of Sri Duruvasan Ramachandra (holding Director Identification Number 00223052) as a Director of the Company liable to retire by rotation."

Item no - 5 : Remuneration of Auditors

To fix remuneration of Auditors of the Company.

"RESOLVED THAT pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 , any statutory modification(s) or re-enactment and subject to Circular/Guidelines/Regulations of the Reserve Bank of India for the time being in force, the Company fixes the remuneration for the financial year 2021-22 of Auditors of the Company, M/s G D Apte & Co, Chartered Accountants, Firm Registration No-100515W ("GDA") who were appointed as the Auditors of the Company to hold office from the conclusion of 32nd Annual General Meeting till the conclusion of 36th Annual General Meeting to an amount totalling to ₹ 33,27,500/- (Rupees thirty three lakhs twenty seven thousand and five hundred only) or such amount on pro-rata basis depending on the scope of work, period of office in the event of holding such office for part of the financial year 2021-22 (excluding reimbursement of expenses, applicable taxes, remuneration for other services provided and subject to deduction of applicable taxes at source) as fixed by the Board of Directors in consultation with GDA ."

SPECIAL BUSINESS:

Item no -6: Borrowing Powers of the Board

To consider and if thought fit, to pass the following resolutions as SPECIAL RESOLUTION(S).

"RESOLVED THAT in supersession of the Special resolutions passed at the Thirty fourth Annual General Meeting of the Company held on July 31, 2020 and pursuant to Section 180 (1) (c), 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and relevant Rules prescribed under the Act, (including any statutory modifications and re-enactment thereof for the time being in force) applicable regulations of Securities and Exchange Board of India, Reserve Bank of India and any other applicable regulations, if any, the approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed to include any duly authorised Committee thereof, which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise it's power including the power conferred by this resolution) to borrow for the purpose of the business of the Company from time to time any sum(s) of money(s), long term or short term, fund based or non-fund based, in Indian Rupee or in any foreign currency, unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties for and on behalf of the Company by way of loan(s), financial assistance(s), commercial paper(s), senior note(s), rupee denominated bonds, off shore markets, issuance of bond(s) in whatever name called from bank(s), banking company(ies), financial institution(s), body(ies) corporate(s), person(s) **AND** by way of invitation, offer, issue and allotment of redeemable non convertible debenture(s), subordinated debt(s), security(ies), debt security(ies), bond(s), any paper(s) convertible or non convertible or partly convertible at premium or at discount, in one or more on private placement basis as well as public issue from any or all the Entity(ies) [the term "Entity" shall be deemed to include, individuals, persons, Banks, Institutional Investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Qualified Institutional Buyers ("QIBs"), Financial Institutions ("FIs"), Statutory Corporations, Statutory Bodies, Trusts, Provident Funds, Pension Funds, Superannuation Funds, Gratuity Funds, Alternate Investment Funds, Insurance Companies, Companies, Societies, Educational Institutions, Association of Persons, Body of Individuals, Scientific and Research Organisations/Associations, Partnerships, Firms, Limited Liability Partnerships, Resident Individuals, Non Resident Individuals ("NRIs"), High Net worth Individuals ("HNIs"), Hindu Undivided Families ("HUFs"), Shareholders, Members, Employees, Director(s)/Key Managerial Personnel(s) ("KMP"), Relation(s) of Director(s)/ KMP(s), Related Party(ies) any person/institution as the Board may decide from time to time] separately or any combination thereof by any permissible methods as the Board may decide including but not limited to shelf prospectus, prospectus, information memorandum, shelf disclosure document, offer document, any other document or otherwise **AND** by way of acceptance of deposits/loans from any or all of the Entity(ies) referred above, any combination thereof **AND** by way of any other permissible instruments or methods of borrowings on such terms and conditions as the Board may deem fit notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business will or may exceed the aggregate of the paid up share capital, free reserves and securities premium of the Company so that the total amount outstanding at any point of time shall not exceed ₹ 40,000 crores (Rupees forty thousand crores).

RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution and without being required to seek further consent or approval of the Members or otherwise for this purpose that they shall be deemed to have given their approval thereto expressly by authority of this resolution, the Board be and is hereby authorised to do all acts, deeds, matters and things to give full effect to the aforesaid resolution, settle and clarify any question or difficulty, finalise the form, content, extent and manner of documents and deeds, whichever applicable and execute all deeds, documents, instruments and writing, for the purpose mentioned in the aforesaid resolution in consultation with the Entities referred in aforesaid resolution and for reserving the aforesaid right."

Item No - 7 : To consider and if thought fit, to pass, with or without modification(s) , the following resolution as a SPECIAL RESOLUTION

"RESOLVED THAT the existing Article number 26.2 of the Articles of Association of the Company be substituted/ replaced with the following.

"Seal shall not be affixed to any instrument except by the authority of a resolution of the Board/or of a Committee of the Board authorised by it in that behalf, except in presence of (i) two Directors, or (ii) the Secretary or (iii) such other person (s) as the Board/Committee may appoint for the purpose of affixing the Seal. The two Directors or Secretary or such other person(s) as aforesaid shall sign every instrument to which the Seal is so affixed in their presence."

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : April 30, 2021

C R Dash
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ANNEXURE

Information required under Regulation 36 (3) of the LODR & SS2

Name of the Director	Sri Duruvasan Ramachandra
Citizenship	Indian
Date of Birth/ Age	April 12, 1962/58 yrs
DIN	00223052
Date of first appointment on the Board of Directors	July 1, 2019
Qualifications	B Com
Nature of Expertise in specific functional areas	Financial Service business
Directorship held in other Companies	1. CES Limited 2. Shriram Life Insurance Company Limited 3. Shriram Capital Limited
Membership/Chairmanship of Committees of other public companies (includes only Audit Committees and Stakeholders Relationship Committee)	Member of Audit Committee and Stakeholders Relationship Committee - CES Limited
Disclosure of relationships between directors/Key Managerial Personnel inter-se	There is no inter-se relationship between Sri Duruvasan Ramachandra and the directors on the Board of Directors of the Company and Key Managerial Personnel
Terms and conditions of re-appointment	Sri Duruvasan Ramachandra is liable to retire by rotation
Number of Meetings attended	7 out of 7 meetings held during 2020-21
Shareholding in the Company	Nil
Remuneration Paid during 2020-21 (₹ in lacs)	NA
Remuneration payable (₹in lacs)	NA

Item No. 5

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 M/s G D Apte & Co, Chartered Accountants, Pune, Firm Registration No-100515W were appointed as Statutory Auditors of the Company at the 32nd Annual General Meeting ("AGM") of the Company held on June 30, 2017 to hold office from the conclusion of the 32nd AGM until the conclusion of the 36th AGM of the Company.

The Company seeks approval of Members every year at the AGM for payment of remuneration (exclusive of reimbursement of expenses, applicable taxes, remuneration for other services provided and subject to deduction of applicable taxes at source) to the Statutory Auditors .In the ensuing AGM, the Company seeks the approval of members for the fees (exclusive of reimbursement of expenses, applicable taxes, remuneration for other services provided and subject to deduction of applicable taxes at source) payable to GDA for the financial year 2021-22 based on recommendation of the Audit and Risk Management Committee ("ARMC") and approval of the Board of Directors pursuant to Section 142 of the Act.

The RBI vide its guidelines/circular no RBI/ 2021-22/ 25 Ref. No. DoS. CD. ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021 has specified the criteria for appointment of Auditors by Non-Banking Financial Company ("NBFC") from FY22. The RBI, has given flexibility to NBFCs to adopt these guidelines from second half of the Financial Year 2021-22 ("H2FY22") in order to ensure no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from FY22. GDA, the Statutory Auditors of the Company has conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021. In the event RBI modifies/changes above stated regulation, then modified/changed regulation would apply to the Company from such date as may be mentioned. Due to the application of the said guidelines, if GDA continues as the auditor of the Company for part of FY22, then it need to be remunerated for that. It is proposed that GDA, the Statutory Auditors of the Company will continue to hold their office till such period as may be permitted by law. If GDA continues as the auditor of the Company for full FY22, then it is proposed to pay their remuneration for conducting audit of Company's accounts for full financial year ending March 31, 2022. In the event, GDA continues to be auditor of the Company for part of FY22, then it is proposed to pay remuneration to GDA, the Statutory Auditors on pro-rata basis as may be fixed by the Board of Directors of the Company depending upon scope of their work, time consumed for holding the office of the Statutory Auditors for part of FY22. The fees of ₹ 33,27,500/- (Rupees thirty three lakhs twenty seven thousand and five hundred only) (excluding reimbursement of expenses, applicable taxes, remuneration for other services provided and subject to deduction of applicable taxes at source) is proposed to be paid for being in office for full FY22 or such amount on pro-rata basis depending on the scope of work, period of office been in office for part of FY22. The ARMC and Board have recommended passing of this resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Audit Committee and the Board of Directors recommend passing of the resolution as set out in No 5 of the Notice.

Item No: 6

The Company is a Non-Banking Finance Company and provides loans under various products to its borrowers. Borrowing is one of the source of raising funds for the Company for onward lending and other purposes. At the 34th Annual General Meeting ("AGM") held on July 31, 2020 Board of Directors was authorised under Section 180 (1) (c) of the Act to borrow upto a limit of ₹ 40,000 crores apart from temporary loans obtained/to be obtained from the bankers (by way of cash credit limits and working capital demand loans) in the ordinary course of business. Section 180 (1) (c) of the Act provides that the Board of Directors of a Company shall only with the consent of the Company by a special resolution borrow money together with money already borrowed (apart from temporary loans obtained and /or to be obtained from Company's bankers in ordinary course of business) in excess of share capital, free reserves and securities premium. In addition to the Act, Regulations of SEBI and Regulations of RBI may apply for borrowing. The expression temporary loans for this purpose means loans payable on demand or within six months from date of loan such as short term, cash credit arrangements, the discounting of bills, etc.

The borrowings by the Company depend upon many factors and may be done under different methods including Public Issue of NCDs/Securities. The Board proposes to have the borrowing limits at ₹ 40,000 crores with no increase in the borrowing limits as approved by the members at 34th AGM of the Company apart from the temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business.The Company will continue to maintain capital adequacy ratio, which is related to borrowings, as per the regulatory requirement of Reserve Bank of India ("RBI").

As per Section 180 (1) (c) of the Act, the approval of members is required to borrow funds exceeding aggregate of paid up capital, free reserves and securities premium of the Company. The borrowings are proposed to be not exceeding ₹ 40,000 crores, which is in excess of the limit set under Section 180 (1) (c) of the Act. Each borrowing would have terms and conditions. Different borrowings may be with different terms and conditions. The availing of borrowings type of borrowing, the lender to borrow from the amount of borrowing within the specified limit, time of borrowing, terms and conditions of each borrowing and other matters related thereto are proposed to be left to the Board and Committee or any person authorised by the Board/ Committee. The Borrowings would require execution of different agreements with the LENDER(S) by the Company. LENDER(S) would require securities for such borrowings. The overall securities to be offered are expected to be 1.25 times of the borrowings, which would amount to ₹ 50,000 crores in favour of the LENDER(S). Each borrowing may be with different kind and amount of securities. The securities offered by the Company for such borrowings may require registration of charge with Registrar of Companies or any other authority or Government. The borrowings and creation or registration of charge would require different documents to be executed with such LENDER(S) by the Company. The documents to be executed for the purpose may contain a provision to take over the substantial assets of the Company in certain events.

As per Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 issued by the Securities and Exchange Board of India ("SEBI Circular"), a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities. The Company is a Large Corporate and thus the Circular of SEBI applies to the Company. The Company is required to file an initial disclosure and annual disclosure to this effect with Exchanges every financial year before April 30 every year and within 45 days from the end of financial year respectively. The annual disclosure confirmation would be filed in due course. The incremental borrowing may be in excess of prescribed limit depending upon the requirement of funds by the Company. The Company may also issue the NCDs at discount or premium depending upon debt market conditions prevailing on the date of issue of the NCDs and relevant regulatory requirements, i.e. number of ISINs maturing per financial year. The funds raised through proceeds of the issue of NCDs will be utilised for various financing, lending, and investments, repaying the existing liabilities/loans, business operations, capital expenditure, working capital requirements, issue expenses and general corporate purposes of the Company and for the purposes mentioned in the Shelf Prospectus, Prospectus, Tranche Prospectus, Shelf Disclosure Document, Information Memorandum and any other document under which issue is made. Further, passing of this resolution is also necessary in order to enable the Company to comply with the SEBI Circular. Borrowings by the Company may be for the purpose of financing, lending, investments, repaying the existing liabilities/loans, business operations, capital expenditure, revenue expenditure, working capital and general corporate purposes of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution except to the extent of their holdings in securities of the Company, if any. The Board of Directors recommend passing of the Resolution(s) set out in item no -6 of the Notice as Special Resolution(s).

Item No. 7:

The common seal of the Company is required to be affixed to different documents/Agreements (including but not limited to loan documents) entered into by or on behalf of the Company from time to time. The documents required to be affixed with Seal of the Company are provided in the Companies Act 2013 and are asked by the other party to the agreement/ document. These documents may or may not be registered with registering authority. The existing clause no 26.2 in the Articles of Association states about affixation of Common seal of the Company as under.

"The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, except in presence of (i) two Directors and the Secretary, (ii) such other person as the Board may appoint for the purpose of affixing the Seal and those two Directors and Secretary or other person aforesaid shall sign every instrument to which the Seal is so affixed in their presence."

The Seal is the official seal of the Company. The Article no 26.2 of the existing Articles of Association is proposed to be replaced with the following.

"Seal shall not be affixed to any instrument except by the authority of a resolution of the Board/or of a Committee of the Board authorised by it in that behalf, except in presence of (i) two Directors, or (ii) the Secretary or (iii) such other person (s) as the Board/Committee may appoint for the purpose of affixing the Seal. The two Directors or Secretary or such other person(s) as aforesaid shall sign every instrument to which the Seal is so affixed in their presence."

The change in the said clause is proposed for more clarity purpose. This clause was amended at the AGM held on July 28, 2015 and it requires more clarity. This is an alteration to the Articles of Associations of the Company As per Section 14 of the Companies Act, 2013 any alteration in the Articles of Association of the Company requires approval of shareholders by way of special resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. The Board of Directors recommend passing of the Resolution set out in item no-7 of the Notice as Special Resolution.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai — C R Dash
Date : April 30, 2021 — Company Secretary

NOTES FORMING A PART OF THE NOTICE:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 ("Act") with respect to ordinary/special business set out in item no.5, 6 and 7of the Notice is annexed hereto.
2. In view of the continuing Covid-19 global pandemic, the General Meetings of the Companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No 14/20 dated April 8, 2020, No 17/2020 dated April 13, 2020, Circular No 20/2020 dated May 5, 2020 and Circular no 2/2021 dated January 13, 2021 (MCA circulars) and Circular no SEBI/HO/CFD/CMD1/CIR/P/2020/May 12, 2020 and no SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by SEBI permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM. In compliance with the MCA and SEBI circulars, the AGM of the Company will be held through VC/OVAM without the physical presence of the Members at a common venue. The regulatory authorities (MCA & SEBI) have permitted conducting the Annual General Meeting through video conferencing ("VC") or Other Audio Visual Means ("OVAM") upto December 31, 2021.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), in relation to e-voting facility and MCA circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, the Members are provided the facility to cast their vote electronically, through the remote e-voting services. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The facility of casting votes by a member using remote e-voting as well as e-voting facility on the date of AGM will be provided to the members by CDSL for facilitating voting through electronic means as the authorised e-voting agency.
4. As this AGM is being held through VC/OAVM pursuant to as per above said MCA circulars, the facility to appoint proxy(is) to attend and cast vote for the members will not be available for this AGM and hence the proxy form and attendance slip are not annexed to this Notice.
5. Authorised representatives of corporate members are requested to send certified copies of such authorisation of their Board to the Company, authorising their representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to the scrutiniser by email at sriram@prowiscorporate.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. Additional information, pursuant to regulation 36 of LODR in respect of the director(s) seeking appointment/ re-appointment at the AGM forms a part of this Notice. The director(s) have furnished consent/declaration for their appointment/re-appointment as required under the Act and the Rules thereunder.
7. The Notice along with the Annual Report for the year ended March 31, 2021will be sent to all the Members by electronic mode, whose names appear in the Register of Members as on June 30, 2021. This Notice can be accessed on the web site of the Company at https://nseprimeir.com/ir_download/PPN_Corp_Announcements/AGM_NOTICE_ANNUAL_REPORT_2021.pdf, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL https://www.evotingindia.com

   Members who have not registered their email addresses and in consequence could not be served the Annual Report for 2020-21 and notice of 35th AGM may temporarily get themselves with Company's Registrar and Transfer Agent, M/s Integrated Registry Management Services Private Limited by clicking the link: https://integratedindia.in/EmailUpdation.aspx for receiving the same.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The members can cast their votes by way of remote e-voting provided by the Company in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date July 22, 2021. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at csdstd@integratedindia.in. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
10. Pursuant to section 91 of the Act and Regulation 42 of the LODR, the Register of Members and Share Transfer Books will remain closed from Friday, July 23, 2021 to Thursday, July 29, 2021 (both days inclusive) for the purpose of AGM and payment of final dividend.
11. Subject to the provisions of the Act, the dividend, if declared at the AGM shall be paid on or after August 2, 2021 to the demat account holders or holders of physical shares as at the end of the day on July 22, 2021 provided by DP or RTA as the case may be .

12. In terms of the provisions of the Income-tax Act, 1961, ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after April 1, 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ("TDS") from the dividend to be paid to the members at the time of payment of dividend. A separate email will be sent at the registered email id of the members describing the deduction of tax at source of the final equity dividend payout. The intimation will also be uploaded on the website of the Company www.shriramcity.in. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No 15H/15G, to avail the benefit of non-deduction of tax at source in the link https://www.integratedindia.in/ExemptionFormSubmission.aspx on or before July 22, 2021.
13. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
14. Please update Bank Account numbers, Income Tax Permanent Account Number ("PAN") and other details by submitting the relevant documents to your DP or RTA.
15. The Statutory Registers will be available for inspection by the Members through electronic mode at the AGM. Relevant documents and statements referred to in this Notice are open for inspection by the Members at the Registered Office of the Company during business hours till the date of the AGM.
16. As per Regulation 40 of SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Shareholders holding shares in physical form under multiple folios are requested to consolidate their holdings in a single folio enabling the Company to serve effectively.
17. Please address all correspondence including dividend matters to the RTA.
18. Pursuant to the provisions of section 124 and 125 of the Companies Act, 2013, the dividends which remain unclaimed for a period of 7 years will be transferred by the Company to the "Investor Education and Protection Fund" ("IEPF") established by the Central Government as and when they fall due for transfer. Shareholders who have not encashed their dividend warrants/payment instrument(s) so far are requested to make their claim to the RTA before transfer to IEPF. The following table shows the details of due date of transfer of unclaimed dividend to IEPF.

Year ending on March 31	**Due Date of Transfer to IEPF**		**Year ending March 31**	**Due Date of Transfer to IEPF**	
	Final Dividend	**Interim Dividend**		**Final Dividend**	**Interim Dividend**
2014	September 1, 2021		2018	August 27, 2025	December 4, 2024
2015	September 1, 2022	December 5, 2021	2019	September 2, 2026	November 29, 2025
2016	September 2, 2023	December 4, 2022	2020	-	November 29, 2026
2017	August 4, 2024	December 1, 2023	2021		1.December 7, 2027 (I Interim) 2.April 29, 2028 (II Interim)

The Company is required to transfer the shares to IEPF Authority, the shares in respect of which the dividend is not claimed/remains unpaid for seven consecutive years or more and such dividend/shares can be claimed by respective members from IEPF authority by following the prescribed procedures.

19. Members can update their nominations by submitting respective forms to RTA or DP as the case may be.
20. Since the AGM will be held through VC/OAVM, the route map is not furnished in this Notice.
21. Shareholders seeking any information with regard to accounts are requested to write to the Company Secretary of the Company at the Secretarial Office of the Company at least 7 days in advance of the date of the AGM, so as to keep the information ready at the AGM.
22. If any votes are cast by the shareholders through remote e-voting and if same shareholders have participated in the meeting through VC/OAVM, then cast their votes during the live session of AGM then the votes cast by such shareholder through remote e-voting shall be

considered valid and the vote casted at the live session of the AGM shall be considered invalid.

23. Sri P Sriram (Membership No FCS 4862) a practicing Company Secretary, Chennai as consented by him was appointed by the Company as the scrutiniser for conducting the e-voting process in accordance with the provisions of law and rules made thereunder.

INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
2. The remote e-voting period shall commence from Monday, July 26, 2021 at 10 a m and shall close of Wednesday, July 28, 2021 at 5 p m. During this period of remote e-voting, the Members of the Company, as on July 22, 2021 i.e. cut-off date, holding shares either in physical form or in dematerialised form may cast their vote electronically. The remote e-voting module will be disabled for voting thereafter.
3. The members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
4. Institutional investors who are members of the Company are encouraged to attend and vote at the 35th AGM of the Company.
5. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
6. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

TYPE OF SHAREHOLDERS

I. Individual Shareholders holding securities in Demat mode with CDSL

Login Method

1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

II. Individual Shareholders holding securities in demat mode with NSDL

i) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL.

Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

ii) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

III. Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

In order to e-vote, you need to Log in and then vote. The followings state the Login process.

(i) Log on to the e-voting website : www.evotingindia.com

(ii) Clickon"Shareholders/Member" tab.

(iii) Enter following user ID and the Capcha

CDSL Demat account holder (16 digit beneficiary ID), NSDL Demat account holder (8 character DP ID followed by 8 digit client ID), shares held in physical form (EVSN followed by registered folio number with the Company)

iv) Next enter the image verification as displayed and click on Login

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on earlier e-voting of any Company, then your existing password is to be used.

vi) Enter your Password(existing password if already registered for e-voting, PAN and Bank Account Number or Date of Birth if e-voting for first time with password of your choice in the new password field).

vii) If you are a first-time user follow the steps given below.

For PAN - Please enter your 10 digit alpha-numeric PAN issued by Income Tax / Reference Number provided in the communication sent to shareholders.

Kindly note that the Members who have not updated their PAN with the Company/ Depositories are requested to use the Reference Number which has been generated by using first two letters of their name followed by a 8 digit number.

If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system

(viii) After entering these details appropriately, click on" SUBMIT" tab.

Click on the number below EVSN for Shriram City Union Finance Limited.

(ix) Resolution Description, Choice etc. will be displayed. Against each resolution both the choices "YES/NO" would be there for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(x) Click on the "Resolutions File Link" for resolution details, if you desire.

(xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote click on "OK", else click on "CANCEL" and modify your vote.

(xii) After "CONFIRM" the vote on the resolution will not be allowed to modify.

(xiii) "Click here to print" option will print voting done.

(xiv) Votes can also be casted by using mobile app of CDSL by downloading mobile app from Google Play Store, Windows and Apple smart phones by following instructions as prompted therein.

(xv) Institutional Members (i.e. other than individuals, HUF, NRI etc.) who wish to cast their votes through remote e-voting should send a scanned copy of the Registration form bearing the stamp and signature of the authorised person of the entity, the list of accounts and scanned copy (PDF format) of the relevant Board Resolution and Power of Attorney (POA) etc to helpdesk.evoting@cdslindia.com.

(xvi) You may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or by writing email to helpdesk.evoting@cdslindia.com or contact Sri Nitin Kunder (022-23058738) or Sri Mehboob Lakhani (022-23058543) or Sri Rakesh Dalvi (022-23058542).

The Scrutiniser shall after the conclusion of the voting at the AGM, first count the votes casted during the AGM, thereafter unblock the votes casted through remote e-voting and make not later than 48 hours of conclusion of the AGM, Scrutiniser's Report to the Chairperson or a person authorised by him.

The results of the voting along with the report of the Scrutiniser would be declared by displaying it on the website of the Company on or before July 31, 2021 and will also be intimated to Stock Exchanges after declaration of results. The resolutions shall be deemed to be passed at the 35th AGM of the Company.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@shriramcity.in. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO ARE NOT REGISRERED WITH THE COMPANY/ DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING

i. **Physical shareholders –** Please provide necessary details like Folio No, Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN), Aadhar (self-attested scanned copy) to the email address of the Company/ RTA.

ii. **For shareholders holding shares in Demat form –** Please update your email id and mobile no with your respective Depository Participant (DP)

iii. **For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

By Order of the Board
For Shriram City Union Finance Limited

Place : Chennai
Date : April 30, 2021

C R Dash
Company Secretary

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

PERSISTENCE AND PROGRESS

Shriram City Union Finance Ltd.

Annual Report

2020-21

READ THROUGH...

1-14 CORPORATE OVERVIEW

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Disclaimer Statement

This document contains statements about expected future events and financials of Shriram City Union Finance Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Investor Information	
Market Capitalisation as on March 31, 2021	₹ 9,002 crores
CIN	L65191TN1986PLC012840
BSE Code	532498
NSE Symbol	SHRIRAMCIT
Bloomberg Code	SCUF:IN
Dividend Declared and Paid	Interim dividend ₹ 10/- per share; Second interim dividend ₹ 10/- per share
AGM Date	July 29, 2021
AG Mode	Video Conferencing

PERSISTENCE AND PROGRESS

Covid-19 pandemic creaked havoc on the world around us. Amidst this mayhem, the resilient and agile enterprises with adaptive business model and inclusive corporate culture ***'Persisted and Progressed'*** to achieve success through leveraging their technological prowess.

Shriram City continues to drive forward its growth momentum in domestic NBFC space through its unique business model, decades of strong experience and patronage of the promoter group, all-encompassing product portfolio, robust network base across regions, customer-centric product solutions & service and performance driven corporate culture. Amidst these challenging times of pandemic also, we have demonstrated solid persistence through optimal and innovative usage of our digital platforms to adapt to the new normal and progressed ahead to create a much more resilient organisation to thrive with its full potential for generations to come

KPI's of 2020-21

₹ **29,571** crores
Assets Under Management (AUM)

7.64 %
Pre-Provision Profits

₹ **5,738.43** crores
Total Income

₹ **3,604.55** crores
Net Interest Income (NII)

19.57 %
Yield

₹ **1,389.39** crores
Profit Before Tax

12.29 %
Net Interest Margin

3.08 %
Net Non-Performing Assets (NPA)

28.64 %
Capital Adequacy Ratio (CAR)

Vision

Serving the under-served

Creating value at the bottom of the pyramid

Mission

Striving to serve the largest number of common people through quality non-banking financial services

ABOUT US

Shriram City Union Finance (SCUF) is one of the premier financial corporations in the NBFC space and is a part of the prestigious Shriram Group. It provides wide gamut of services through diversified product mix and robust distribution network to the under-served section of the society.

Since its inception in the year 1986, SCUF persisted and performed throughout the ages to serve the unbanked and under-served section of the society and has emerged as a preferred partner in the NBFC space by understanding the customer needs and serving them through its wide-ranging product offering across asset classes.

The Company is engaged in retail financing spectrum with significant presence across Micro, small and Medium Enterprise (MSME) financing, two-wheeler loans, gold loan, personal loan and auto loan business among others. SCUF has emerged as one of the best small enterprise finance company in the country and is dedicated to continuously serve the under-served section of the society through its state-of-the-art technology, widespread distribution network and 'inclusive' workforce, in years to come.

₹ **17,154** crores

Loan disbursed in FY2020-21

926

No. of branches

₹ **41.52** Lac

Active Customer Base

24,963

Employees as on March 31, 2021

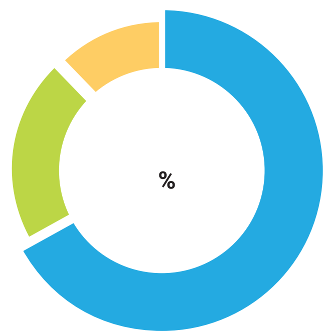
How have we persisted and progressed?

- Business leadership in the under-served retail loan segment
- Sturdy business model with diversification across segments and asset classes
- Strong parentage and established performance track record
- Adequate capitalisation and robust balance sheet with appropriate liquidity
- Robust technological architecture with increased use of digitised methods for cashless collection and disbursements
- Competent and enthusiastic workforce depicting 'inclusive' work culture

Geographic break-up of

South | West | North

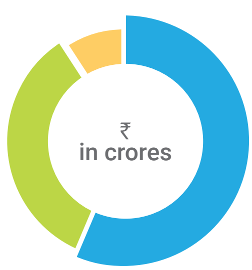
Branch Network



67 | 21 | 12

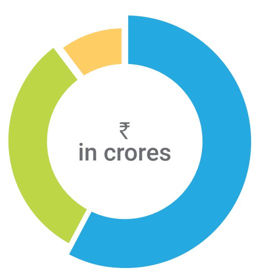
AUMs

2019-20



16,435 | 9,995 | 2,655

2020-21



17,125 | 9,484 | 2,962

Validating our credentials through strong credit ratings

Our credentials are validated through our strong credit ratings provided by all leading credit rating agencies in the country.

Long Term Rating

CRISIL	ICRA	India Ratings & Research	CARE Ratings
Crisil AA/ Stable	ICRA AA/ Stable	India AA/ Stable	Care AA/ Stable

Short Term Rating

CRISIL	ICRA	CARE Ratings
Crisil A1+	ICRA A1+	Care A1+

FD Rating

ICRA

ICRA MAA+ / Stable

Bank Loan Rating

India Ratings & Research

India AA/ Stable

PERSISTENCE & PROGRESS THROUGH ALL-ENCOMPASSING PRODUCT CONTRIBUTIONS

We are believed to be one of the most trusted NBFC brands in India. We are committed to serve unbanked and under-served sections of the society by timely providing financing options through our MSME loans, two-wheeler loans, gold loans and other comprehensive loan offerings from our exclusive product suite. With long standing relationships with our customers, providing the much-needed money at right time has become our forte, thus creating a 'win-win' situation for both. Our customers have become our dedicated partners driving our nation-wide growth to reach the last mile needed. Amidst this challenging pandemic times, we showed astonishing persistence translated through our vigorous progress, enabled by our 'all-inclusive' product portfolio

Small Enterprise Finance

SCUF is one of the leading small enterprise finance company

50.96 %
AUM in FY2020-21

Year of Establishment	2006
Target segment	Serves the underserved micro, small and medium enterprises mostly 88% through collateral backed loans
Regional Presence	Strong presence in Andhra Pradesh, Maharashtra, Tamil Nadu and Telangana
Ticket size	₹ 10 to 15 lacs
Tenor	36 to 60 months
Yield Range	14-22%

Two-Wheeler Loans

23.28 %
AUM in FY2020-21

Year of Establishment	2002
Target segment	Mainly self-employed customers from rural and semi-urban areas
Regional Presence	Pan India presence Market leader in South India with high penetration in West, North and Central India
Ticket size	₹ 50,000 - 75000
Tenor	24 to 36 months
Yield Range	21-26%
Loan-to-Value (LTV)	75% - 90%

Personal Loans

SCUF provides personal loans to salaried and self-employed personnel

6.79 %
AUM in FY2020-21

Year of Establishment	2002
Target segment	Cross-sell to existing customers with good track record
Regional Presence	Pan India
Ticket size	₹ 50000 - 75000
Tenor	18 to 36 months
Yield Range	22-28%

Loan Against Gold

SCUF offers this product leveraging its existing infrastructure, network and controls

12.81 %
AUM in FY2020-21

Year of Establishment	2007
Target segment	Offers loans against gold ornaments to individuals
Regional Presence	Well-known player in Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh and Karnataka
Ticket size	₹ 45,000 to 50,000
Tenor	Upto 12 months
Yield Range	14-18%
Loan-to-Value (LTV)	Upto 75%

Auto Loans

SCUF does relationship-based lending to the current and repeat customers

1.85 %
AUM in FY2020-21

Year of Establishment	2006
Target segment	Provides loan to purchase new and used passenger and commercial four wheelers
Regional Presence	Telangana, Andhra Pradesh, Maharashtra and Tamil Nadu
Ticket size	₹ 1,50,000 to 2,00,000
Tenor	24 to 48 months
Yield Range	18-24%
Loan-to-Value (LTV)	60-80%

Pre-Owned Two wheelers Loan

SCUF does relationship-based lending to the current and repeat customers

3.68 %
AUM in FY2020-21

Year of Establishment	2021
Target segment	Provides loans for used Two Wheelers
Regional Presence	Pan India
Ticket size	₹ 35000 – 50,000
Tenor	24 to 48 months
Yield Range	22-28%

Loans against Property

SCUF is offering the Loans against Property

0.63 %
AUM in FY2020-21

Year of Establishment	2021
Target segment	Provides loan to Individuals, Firms and Companies
Regional Presence	Largely Gujarat, Karnataka, Maharashtra, Rajasthan & Tamil Nadu
Ticket size	₹ 10 to 75 lacs
Tenor	84 to 144 months
Yield Range	12-16%

***Ticket size, tenor & yield range are average figures*

PERSISTENCE & PROGRESS THROUGH TECH-BACKED ARCHITECTURE AND SYSTEMS

Digital technological evolution remains one of the major critical factors for the NBFC lending space to sail through Covid-19 pandemic and helps to us drive growth momentum for financial inclusion of the under-served people. ***With rapid development in the Information Technology (IT) framework and adoption of online methods of operations, we have upgraded our processes to higher technology platforms enabling us holistically integrate our operational parameters, optimize cost configuration and leverage synergies.*** Increasing usage of high-end tech-architecture based operations during this pandemic situation helped us demonstrate persistence and our growth momentum continued to progress towards a contented future.

Our strong processes and framework help in de-risk our portfolio while augmenting our credit penetration across the markets. Our adaptive lending assessment criteria and models enables faster credit churn out while maintaining our liquidity position subsequently leading to lower NPAs. We take every opportunity to consistently upgrade our technology platforms like the following which empowers us sail through the pandemic.

IT Infrastructure Upgradation Initiatives

- Enabled work from remote location by mounting VDI solutions to all employee devices.
- Secured all devices with Endpoint Detection and Response (EDR) and Anti-malware solutions to confirm data privacy.
- Provided Wi-Fi facilities and end-point devices (like laptops, hard drives etc.) to employees for smoother work from home operations.
- Reduced number of physical servers through Server Virtualisation solution (VMware).
- Increased usage of SIEM tool to track logs and monitored events in the server and firewall.
- Enable automated monitoring of branch network, firewall and ISPs across all regions.
- Protected our digital platforms (like e-mail gateways and network frames) with end-to-end encryption methods to shield against any security threats of advanced cyber-attacks.

These apart, we have taken several initiatives for faster payment and KYC check for customers enabling reduced hassles and turnaround times (like integration with Bharat Bill Payment System and UPI facility partnering with leading banks, digital document uploading facility for customers etc.)

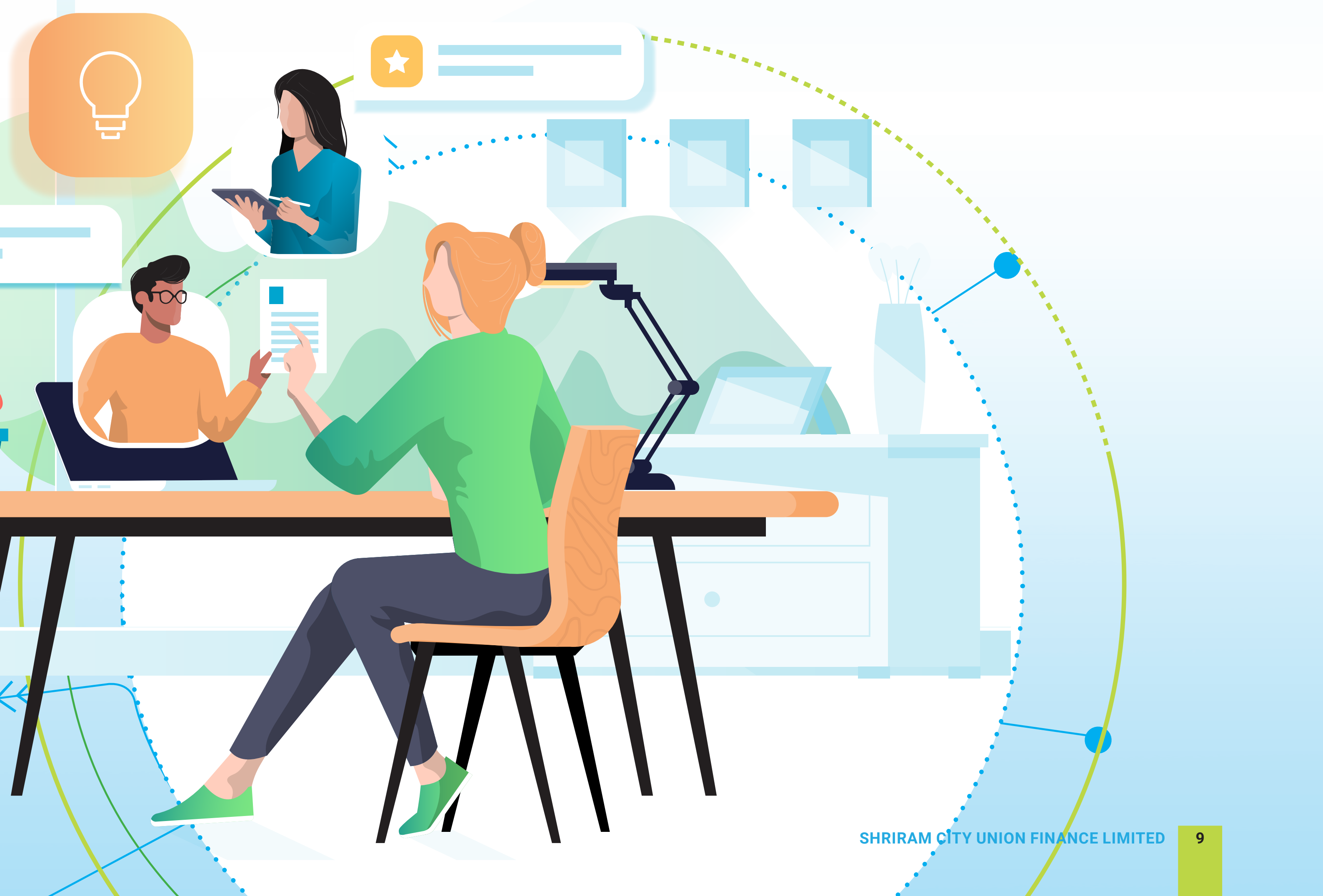
PERSISTENCE & PROGRESS THROUGH SOUND BUSINESS MODEL AND ASSET MIX

We are one of the largest and most trusted NBFCs in the country over the years. This coveted achievement became possible through optimal usage of our 'hub-and-spoke' model, facilitating decentralisation of routine jobs throughout the organisation resulting faster turnaround times. This enables our top management to engage themselves in strategic decision making and policy formulations.

At SCUF, serving the unbanked and under-served people with holistic development of their socio-economic position is nucleus to our business philosophy. Our Asset Under Management grew in view of our focused business strategy to serve the customers through our niche, granular and diversified product portfolio. We continued our growth momentum despite the disruption of operation and related challenges posed by COVID-19 pandemic. We monitored entire process of operation through our branch officials who are specialized in providing best of the services through local knowledge of their customers. With decentralised credit approval and loan processing in place, customers get their fund in lesser time resulting in long term relationship and trust building. The philosophy of winning the trustworthiness of customers over the edges helped us show 'Persistence & Progress' ahead to superior future amidst the challenging pandemic.

We believe that to build a strong business fortress, robust business model is of prime importance. ***We spread our network through 'hub-and–spoke' model facilitating greater productivity and implementing tighter control on all facets of operation, whilst being centrally controlled by our headquarters in Chennai.*** The entire functional architecture is successfully controlled on a real-time basis through our ERP software platform.

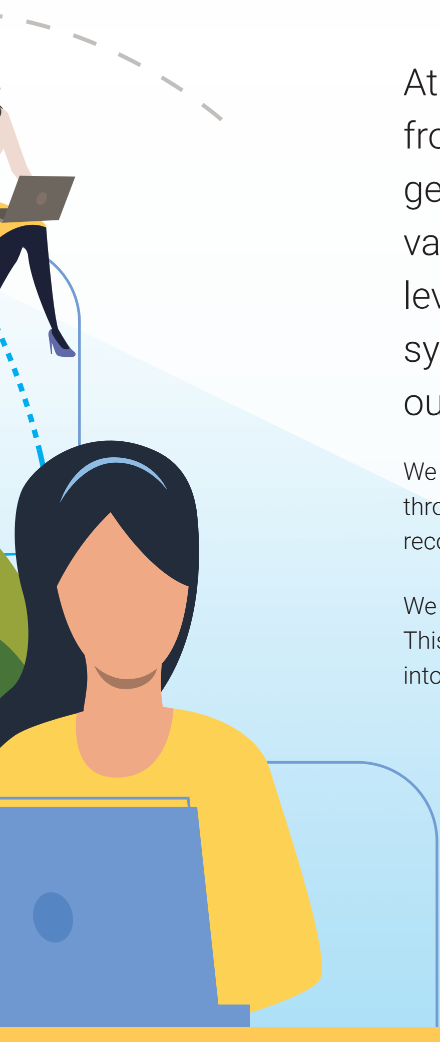
We have transformed ourselves from a mere NBFC to a special friend in need for our customers. ***Reaching the under-served beyond boundaries time and again has given us the tagline of being one of the most trustworthy NBFC brands in India - a building block well-constructed to persist and progress amidst these challenging pandemic times.***



PERSISTENCE & PROGRESS THROUGH OUR ROBUST HUMAN CAPITAL

Amidst today's rapidly challenging business environment customer centric approach and usage of technology platforms to reach the farthest milestone can only become successful, if workforce of the enterprise is truly inspired. Through our diverse people with extensive knowledge of local markets and zeal to reach the last mile to better serve our customers, we have created a unique bond with our human capital.

We strive to create a ***safer work environment for our people*** amidst this pandemic by shifting our work culture encouraging ***'Work-from-Home', recognising performance achievements and reinvesting in skill building exercises to embrace higher usage of digital platforms.*** Culmination of all these efforts translated into enhanced camaraderie amongst our human assets and helped us show ***'Persistence & Progress'*** in these challenging times.



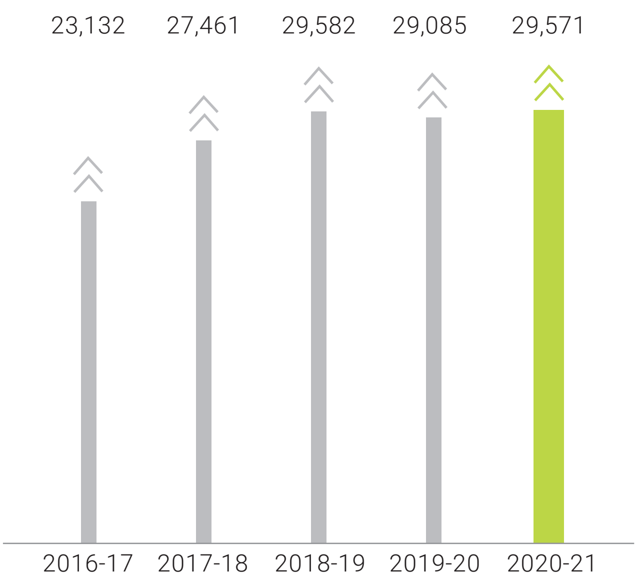
At SCUF, we have diverse workforce comprising professionals from varied specialisation; commensurate with the diverse geographical reach and ethnicities served over decades. The varied socio-economic background of our people helps us to leverage their diverse skill sets and enables them to multiply the synchronised benefit potential to the highest standards to serve our customers better.

We provide specialised trainings to our workforce and encourage them to attain newer skill sets through implementation of newer technologies that ensures sustainability of our business. We recognise people's skill and reward them at every performance accomplishment throughout the year.

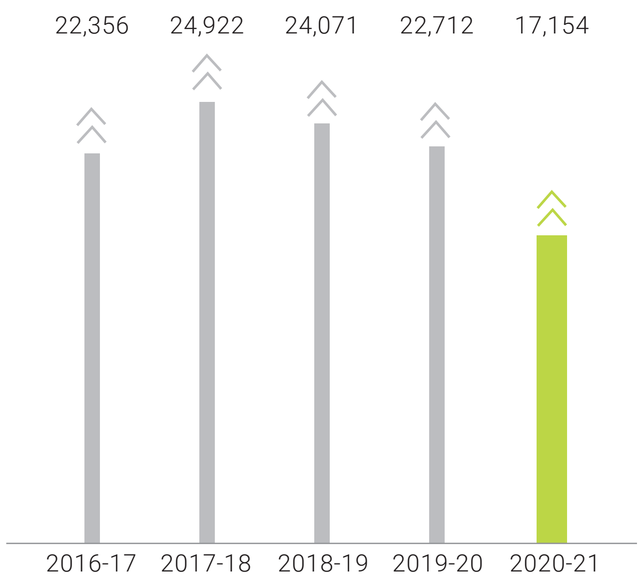
We endorse collaborative work environment encouraging better relationships between employees. This apart, we recruit local talents to better leverage their knowledge about customers transforming into a long-standing relationship.

KEY FINANCIAL HIGHLIGHTS

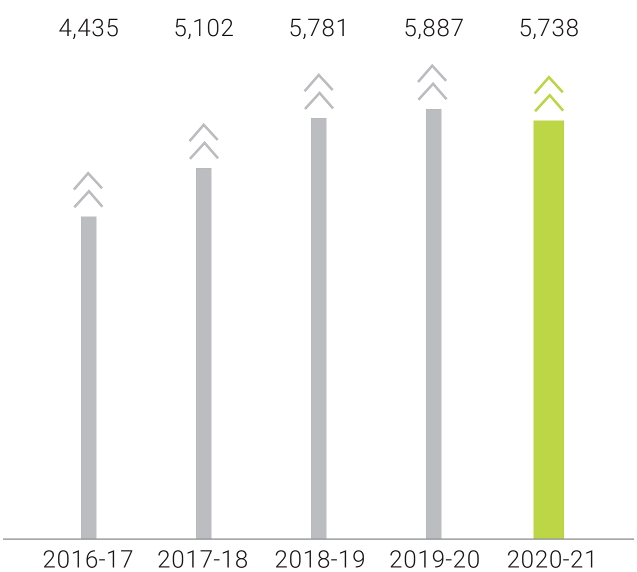
Asset Under Management
(₹ in crore)



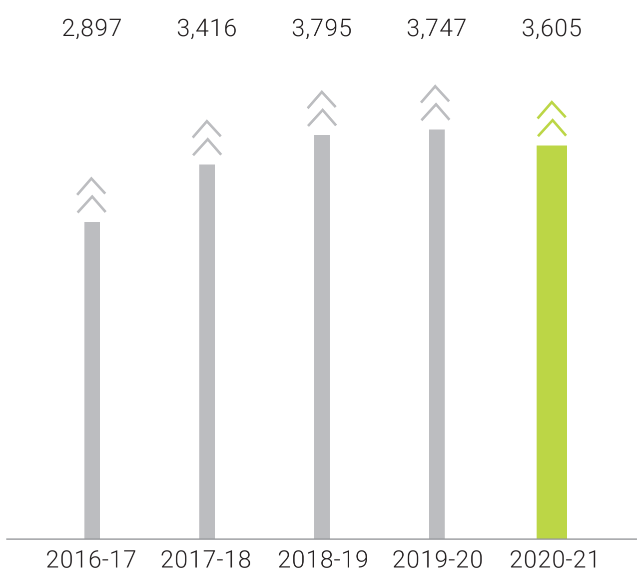
Disbursements
(₹ in crore)



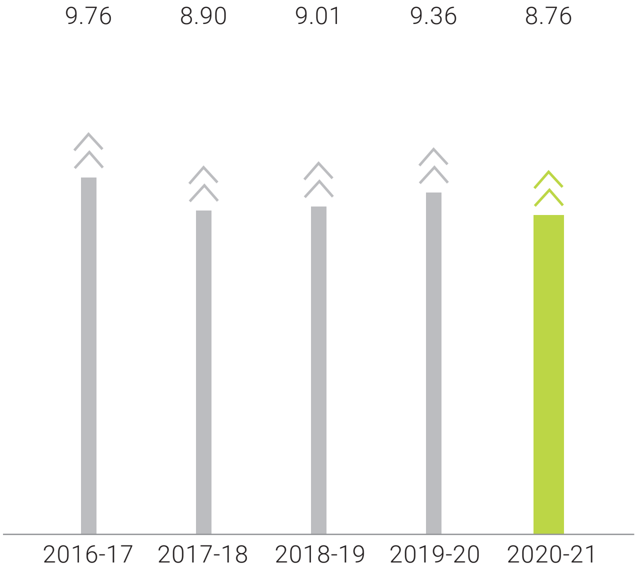
Total Income
(₹ in crore)



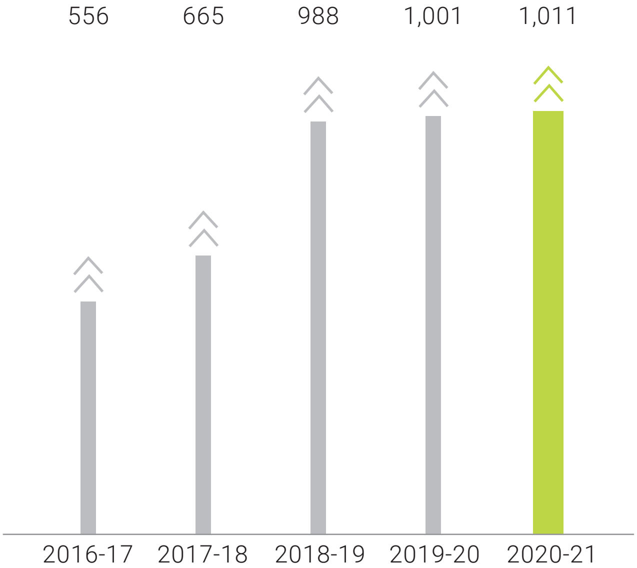
Net Interest Income
(₹ in crore)



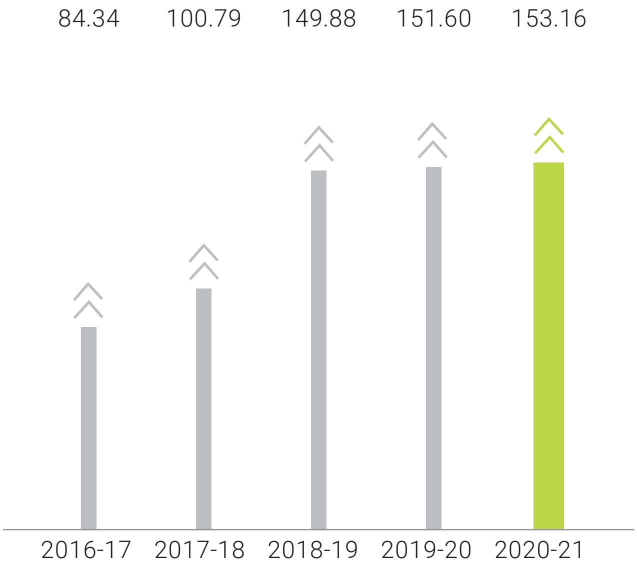
Average Cost of Borrowing
(%)



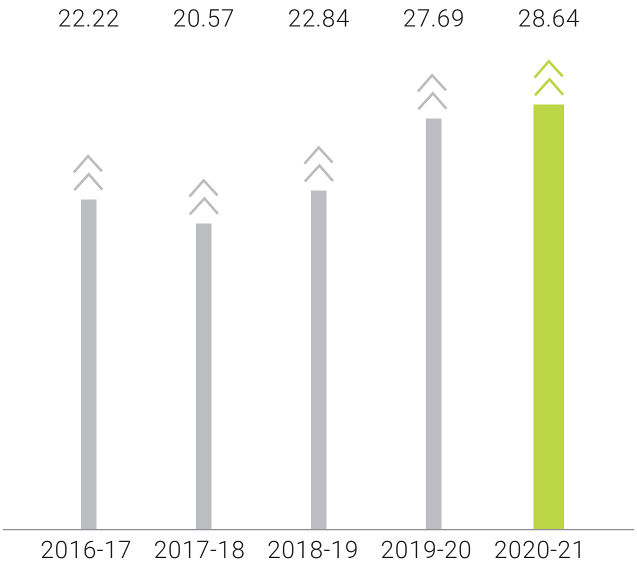
PAT
(₹ in crore)



Earnings per Share
(₹)



Capital Adequacy Ratio Tier- I
(%)



CORPORATE INFORMATION

Board of Directors

Sri Debendranath Sarangi
Chairperson, Non-Executive, Independent

Sri Y S Chakravarti
Managing Director and Chief Executive Officer, Executive, Non-Independent

Sri C R Muralidharan*
Director, Non-Executive, Independent

Sri Diwakar B Gandhi
Director, Non-Executive, Independent

Sri Duruvasan Ramachandra
Director, Non-Executive, Non Independent

Sri Ignatius Michael Viljoen
Director, Non Executive ,Non Independent

Ms Maya S Sinha
Director, Non-Executive, Independent

Sri Pranab Prakash Pattanayak
Director, Non-Executive, Independent

Sri Shashank Singh
Director, Non-Executive, Non-Independent

Sri Venkataraman Murali
Director, Non-Executive, Independent

* *Ceased to be a director due to demise on October 8, 2020*

Chief Financial Officer

Sri Ramasubramanian Chandrasekar

Company Secretary

Sri C R Dash

Banks

Axis Bank Limited
Bank of Baroda
Bank of India
Bank Of Maharashtra
Citibank N.A, India
CSB Bank
Canara Bank
DCB Bank
DBS Bank India Limited
Federal Bank
HSBC
HDFC Bank Limited
ICICI Bank Limited
Indian Bank
Indusind Bank Limited
Indian Overseas Bank
Karnataka Bank
Kotak Mahindra Bank Limited
Punjab National Bank
RBL Bank Limited
Standard Chartered Bank PLC
State Bank Of India
State Bank of Mauritius
South Indian Bank Limited
Union Bank of India
Yes Bank

Institution

Bajaj Finance Limited

Citicorp Finance (India) Limited

National Bank For Agriculture And Rural Development

SIDBI

Auditors

G D Apte & Co.
Chartered Accountants, GDA House, First Floor, Plot No 85, Bhusari Colony (Right), Paud Road, Pune 411 038

Listed at

BSE Limited
National Stock Exchange of India Limited

Registered Office

123, Angappa Naicken Street,
Chennai 600 001
Phone No.: + 91 44 2534 1431

Secretarial Office

No.144, Santhome High Road,
Mylapore, Chennai 600 004
Phone No.+ 91 44 43925300
Fax No. + 91 44 43925430

Share Transfer Agents

Integrated Registry Management Services Pvt Ltd
2nd Floor, Kences Towers No. 1,
Ramakrishna Street,
Off North Usman Road, T. Nagar,
Chennai 600 017
Phone No. + 91 44 2814 0801 – 03

Debenture Trustees

IDBI Trusteeship Services Ltd
Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate,
Mumbai 400 001

Catalyst Trusteeship Ltd
GDA House, First Floor, Plot No 85,
Bhusari Colony (Right), Paud Road,
Pune 411 038

Report of the Board of Directors

To,

The Members of Shriram City Union Finance Limited

Dear Members,

The Board of Directors ("Board") is pleased to present this Report with the audited standalone as well as consolidated financial statements of the Company for the financial year ended March 31, 2021 ("FY21"). The consolidated financial statements presented pursuant to section 129 (3) of the Companies Act 2013 ("Act") and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The report on corporate governance, management discussion and analysis and other annexures referred to form a part of this Report.

1. RESULTS OF OPERATION

The summary of standalone and consolidated financial performance of the Company for the Year is as under. The details of financials are provided in the annual financial statements.

₹ in crores

Particulars	Standalone		Consolidated	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Total Income	**5,738.43**	**5,887.14**	**6,167.87**	**6,239.15**
Finance Charges	2,133.88	2,140.45	2,340.71	2,303.26
Depreciation	79.84	82.16	87.12	89.58
Total expenses	**4,349.05**	**4,532.14**	**4,689.85**	**4,832.67**
Profit before tax ("PBT")	**1,389.39**	**1,355.00**	**1,478.01**	**1,406.48**
Total Tax expenses	**378.44**	**354.48**	**400.30**	**373.27**
Profit after Taxation ("PAT")	**1,010.94**	**1,000.52**	**1,077.72**	**1,033.21**
Paid up equity share capital (Face value of ₹ 10/- per share)	66.01	66.00	66.01	66.00
Earning per equity share (Face value of ₹ 10/- each)				
(i) Basic	153.16	151.60	161.13	154.95
(ii) Diluted	152.81	151.57	160.76	154.92
Appropriations/Transfers:				
Profit available for appropriation	4,016.07	3,509.77	4,160.19	3,608.52
General reserve	(102.50)	(100.10)	(102.50)	(100.10)
Statutory reserve	(204.90)	(200.20)	(214.59)	(207.41)
Debenture redemption reserve	-	(29.31)	-	(29.31)

The Board at the meeting held on April 30, 2021 has proposed to transfer/carry amounts mentioned above to different reserves for FY21 in compliance with the requirements of regulations of Reserve Bank of India ("RBI") and the Act. No details for loans made, guarantee given or security provided in ordinary course of business as required under Section 186 of the Act are mentioned here as the Company being a NBFC registered with the RBI is exempted from applicability of this. Loans, guarantees and investments form a part of the Annual Financial Statements provided in this Annual Report.

2. DIVIDEND

The Dividend Distribution Policy as required under LODR is attached as Annexure - 12 and is displayed on the website of the Company (refer Table - 1). Dividends are recommended and paid in line with the Dividend Distribution Policy of the Company. The Board in the meeting held on April 30, 2021 has proposed for final dividend of ₹ 13.00 on each equity share of ₹ 10 each for the year. The table below shows the details of dividend for FY20 and FY21

Dividend on equity shares of ₹ 10 each	No of Shares	Per share (₹)	Dividend Pay out (₹ in crores)	Date of payment
Interim (FY21)	6,60,04,322	10.00	6,600.43	November 27, 2020
2nd Interim (FY21)	6,60,05,022	10.00	6,600.50	April 19, 2021
Proposed Final (FY21)	6,60,05,022	13.00		
Total		**33.00**		
Interim (FY20)	6,59,96,022	6.00	47.74	November 18, 2019
Total		**6.00**		

FY– Financial year ending March 31

Dividend payout is subject to applicable deduction of tax at source. No of shares indicate the numbers of shares existed on respective record date for payment of dividend. There were no delay in payment of dividend/interim dividend during FY21. The Board recommended final dividend and the interim dividends declared and paid shall be the dividend for the year.

3. CONTRACT OR ARRANGEMENT WITH RELATED PARTY AND ANNUAL RETURN

There were related party transactions during FY21. All the transactions during FY21 with related parties were on arm's length basis in ordinary course of business with requisite approval of the Audit and Risk Management Committee. The Company has formulated an approved policy on related party transactions, which is displayed on the web site of the Company (refer Table - 1) in compliance with regulations of RBI, the Act and LODR. The details of and transactions with the related parties as required under Regulation 34(3) and 53(f) of the LODR appear in note no. 44 of the notes to financial statements. During FY21, the Audit and Risk Management Committee, approved the related party transactions requiring it's approval. The details of Related Party Transactions were filed with both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on half yearly basis during FY21. There were no material related party transactions during the FY21 with promoters, directors, key managerial personnel or other designated persons in potential conflict with the interest of the Company at large and this information were filed with both BSE and NSE on quarterly basis on or before respective due dates during FY21. The details of Annual Return in prescribed form MGT - 7 as required under Section 92 (3) and 134 (3) of the Act is displayed on the web site of the Company (refer Table - 1).

4. STATE OF AFFAIRS

The Company is a deposit taking Non-Banking Finance Company ("NBFC") registered with the RBI. The Company provides loans to customers and has multiple product offering i.e. Enterprise Finance/MSME Finance, Two wheeler loans, Loan against Gold, Personal Loan, Auto Finance, Pre-owned Two Wheeler loans and Loans against Property. The Company continued acceptance and renewal of deposits from public during FY21. There was no change in business of the Company during FY21. The business of the Company includes sourcing borrowers, understanding their loan requirement, providing them appropriate finance, documentation of loans and receipt/recovery of loan dues from borrowers. Though, the Company operates all over India, the business outlets of the Company are concentrated in semi-urban and rural areas. Our customer centric approach continues to bring us more number of customers resulting in higher business. 13.61 lacs number of customers were added during FY21. Total number of customers and total number of branches/ business outlets were 41.52 lacs and 926 respectively as on March 31, 2021.

Total disbursements of loans under different products were ₹ 17,154 crores during FY21 (FY20 : ₹ 22,712 crores). Income from operations for the year reduced by 2.60% to ₹ 5,730.70 crores (FY20 : ₹ 5,883.94 crores) and profit before tax was ₹ 1,389.39 crores for the year (FY20 : ₹ 1,355.00 crores). As at March 31, 2021 the total assets under management was ₹ 29,571 crores (March 31, 2020 : ₹ 29,085 crores).

During FY21, the total consolidated disbursements of loans under different products were ₹ 19,349 crores (FY20 : ₹ 23,839 crores). Consolidated Income from operations in FY21 reduced by 1.27% to ₹ 6,153.75 crores (FY20 : ₹ 6,233.11 crores) and profit before tax was ₹ 1,478.01 crores in FY21 (FY20 : ₹ 1,406.48 crores). As at March 31, 2021 the consolidated assets under management was ₹ 33,500 crores (March 31, 2020 : ₹ 31,390 crores).

In order to meet the loan requirements of borrowers and other requirements, the Company borrows money from banks/institutions, individuals and others through public issue/private placement of non-convertible debentures ("NCDs"), acceptance/renewal of fixed deposits, issue of commercial papers, cash credit/working capital loans and other loans. The summary of borrowings by the Company is as under.

₹ in crores

At the year ended March 31,	Deposits	Privately placed NCDs	Public issue of NCDs	Term loans	Others	Total
2021	5,528.89	3,394.39	869.24	10,264.57	5,508.22	**25,565.31**
2020	4,012.07	3,618.73	849.55	8,531.74	6,153.75	**23,165.84**

Balance outstanding on cash credit as on March 31, 2021 was ₹ 358.48 crores (March 31, 2020 : ₹ 480.38 crores), Working capital demand loans as on March 31, 2021 was ₹ 1,765.15 crores (March 31, 2020 : ₹ 1,544.89 crores), Commercial Papers as on March 31, 2021 was Nil (March 31, 2020 : ₹ 111.64 crores) Subordinate debts as on March 31, 2021 was ₹ Nil (March 31, 2020 : ₹ 239.24 crores) and Securitisation linked Term Loan as on March 31, 2021 was ₹ 3,384.59 crores (March 31, 2020 : ₹ 3,777.60 crores).

The Company serviced all its repayments and interests for different borrowings due during FY21 on respective due dates. The deposits and debentures issued/allotted in non-dematerialised form were redeemed on submission of the claim with documents. 4,365 number of deposits amounting to ₹ 61.57 crores were outstanding to be claimed or renewed on maturity as at March 31, 2021. Subsequent follow-up by the Company for repayments/renewals brought it to 1,730 number of deposits amounting to ₹ 29.61 crores on the date of this report. There were no deposits which had matured and claimed, but were not paid by the Company. The Company takes steps to arrange for repayment/renewal of these unclaimed deposits.

The Company is required to be rated by any of the rating agencies in India for its different kinds of borrowings. Such ratings were undertaken and the ratings obtained are mentioned in notes to financial statements.

There are no significant and material orders passed by the regulators or courts or tribunals impacting going concern status and Company's operation in future. For other orders, please refer to the notes to accounts on contingent liabilities. There were no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company and the date of this report. The impact of pandemic has been dealt with in the Management Discussion and Analysis annexed to this report as Annexure - 3.

During FY21, frauds amounting to ₹ 5 lacs were detected and reported to RBI. The details of frauds detected are reported in notes to financial statements. The status of frauds detected are reported in notes to financial statements. The Audit and Risk Management Committee ("ARMC") and the Board had discussed about the status of the frauds committed and existing. The Company has formulated whistle blower and vigil mechanism policy for, in addition to other matters, bringing frauds to light by the whistle blowers.

The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2020-21 for recovery of outstanding loans against any customer being Corporate Debtor. Thus, the difference between amount of the valuation done at the time of one time settlement and the valuation done while talking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

5. CAPITAL, LISTING AND IEPF

As on March 31, 2021, the paid up capital was ₹ 66.005 crores with an increase of ₹ 0.002 crores on the paid up capital on March 31, 2021 due to allotment of 2,100 (FY20 : 10,605) shares on exercise of options under Employees Stock Options Scheme 2006 by the eligible employees. The ESOP Scheme titled SCUF ESOP

Scheme 2013 as approved by the members in the Extraordinary General Meeting held on May 31, 2013 was implemented. The required disclosures on ESOP as on March 31, 2021 under SEBI Regulations are set out in Annexure - 6 to this report. The Company has received the certificate as attached in Annexure - 7 from the auditors of the Company certifying that the ESOP Scheme is implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed by the members. No equity shares, other than equity shares under Employees Stock Option Scheme were issued to employees of the Company. There was no buy back of its shares and no issue of equity by the Company during FY21.

In compliance with Section 124 (5) of the Act, the Company transfers the dividend that has remained unclaimed for a period of seven years from the date of its transfer to unpaid equity dividend account to Investor Education and Protection Fund ("IEPF"). An amount of ₹ 0.86 crores (FY20: ₹ 0.93 crores) is lying in unpaid equity dividend account of the Company. The unpaid dividends till March 31, 2014 were transferred to IEPF. The Company as provided under Section 124(6) of the Act, transferred all shares in respect of which unclaimed dividends were transferred to IEPF during FY21. In compliance with section 125 (2) of the Act, matured deposits, matured debentures and interest accrued on these that had remained unclaimed/unpaid for a period of seven years from the date it became due for payment were transferred to IEPF during FY21 as mentioned below.

₹ in crores

Year	Dividend	Deposits	Debentures	Equity shares in nos.
FY 21	0.109	0.00	1.480	2,427
FY 20	0.080	0.00	1.465	3,032

The Company has displayed the details of unpaid dividend on its web site (refer Table - 1). The Company also posted individual letters to the last known address of the shareholder on May 30, 2020 and August 31, 2020 and advertised in newspapers on June 3, 2020 and September 1, 2020 respectively for the purpose. There will be no claim lie on the Company on account of dividend, debentures and deposits which were transferred to IEPF. However the investors can claim it from IEPF Authority by following the required process.

The unclaimed equity shares existing in physical form available with the Company/RTA, are dematerialised at the time of transfer to IEPF Authorities.

As required under Schedule V of LODR, the Company has opened equity share suspense Account with NSDL titled as "SCUF - Unclaimed Securities Suspense Account" for the purpose of transferring unclaimed equity shares held in physical form .The Company will transfer after due verification the shares lying in the said suspense account to the eligible shareholders on receipt of request for such transfer is received. As on March 31, 2021 there were 475 (As on March 31, 2020 : 475) number of unclaimed equity shares in the said SCUF - Unclaimed Securities Suspense Account.

S. No	Particulars	No of equity share holders	No of unclaimed equity shares
1	Unclaimed equity shares as on April 1, 2020	8	475
2	Shares claimed by shareholders during the Year	-	-
3	Transfer of unclaimed equity shares to IEPF during the Year as per IEPF Rules	-	-
4	Unclaimed equity shares as on March 31, 2021	8	475

The voting rights for the above said unclaimed equity shares shall remain frozen till the shares are claimed by / transferred to the concerned share holders. No equity share was issued with differential rights to voting, dividend or otherwise.

The listing fees to BSE and NSE for the Year were paid on time. The shares of the Company continue to be listed on BSE and NSE.

6. HUMAN RESOURCE

FY21 was a particularly testing one for our workforce because of the prevalence of the pandemic. Despite operating from COVID-affected parts of the country, our team members helped the Company achieve its operational and business targets by reaching out to customers and with their physical presence in offices, thus putting the interests of the Company on front. We are extremely fortunate to possess such an immensely motivated and highly-skilled workforce, and endeavor to support them in every possible manner, both professionally and personally. The Company follows the best HRD practices in the industry, which includes conducting sustained reskilling and skill-enhancing programs to provide the necessary edge to our teams over the competition and according timely rewards and recognition to keep our workforce motivated. This enables our employees in their career growth paths, besides assisting the Company in achieving its commercial objectives. We emphasise on localisation of our workforce and encourage executive growth up the organisational ladder within respective geographies. The relation between the Company and its employees have always been based on mutual respect, openness, honesty, co-operation and trust, and continued in this manner during the Year. The Company has formulated a policy on Prevention of Sexual Harassment of women employees in the work place. The Company has also constituted an Internal Complaints Committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints received during the Year. The total employee strength of the Company as on March 31, 2021 was 24,963 with 4,237 employees added during the Year. As required under Section 197(12) of the Act read with Rule - 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, the information on remuneration is given in table 2.1 of the Corporate Governance Report and other details are attached as Annexure – 1 to this Report.

7. SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENTS

M/s Shriram Housing Finance Limited CIN - U65929TN2010PLC078004) ("SHFL") is the only subsidiary of the Company. SHFL is an unlisted subsidiary with 77.25% holding by the Company in the equity of SHFL. The Company does not have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of LODR. SHFL is a housing finance company registered with National Housing Bank ("NHB") (Registration Number-08.0094.11) with registered office at Chennai. There was no entity which became or ceased to become subsidiary during FY21. The entities shown in the Notes to Accounts under Related party disclosures as Associates are treated as "associates" as per paragraph 9(b)(ii) of IndAS24. The equities of SHFL are not listed on any stock exchange, but has debt securities listed on BSE. SHFL follows April to March as the financial year. SHFL provides housing loans of larger mass consisting of self employed in the lower and middle income class in mostly Tier 2 and Tier 3 locations in India with 82 branches. SHFL has 20,395 customers with loans in its portfolio as on March 31, 2021. The total employee strength of SHFL as on March 31, 2021 was 824. The Policy on Material Subsidiary(ies) of the Company is displayed on the web site of the Company (refer Table - 1).

SHFL provides home loans, loans against property and finances housing projects. The CAGR of loan disbursement of SHFL over last five years was 22.60 % with total disbursement during the year being ₹ 2,195 crores. The total borrowings of SHFL as on March 31, 2021 was ₹ 3,180.84 crores, out of which ₹ 578.90 crores relates NCDs and the balance amount was from borrowings from Bank/ Financial Institutions and securitisation through bank/ financial institution.

As prescribed under section 129(3) of the Act ,the Consolidated financial statements of the Company for FY21 were prepared in accordance with provisions of the Act and LODR, which were audited by the statutory auditors of the Company. The consolidated financial statements along with the report of the auditors of the Company thereon are attached to this Report. Statement containing salient features of the financial statements for FY21 in form AOC- 1 is attached to the financial statements of the Company.

The annual accounts, annual reports and the related detailed information on SHFL shall be made available to the shareholders of the Company and to the shareholders of SHFL seeking such information at any point of time. In accordance with Section 136 of the Act, audited annual financial statements, consolidated financial statements and related information of the Company and the audited financial statements of SHFL are displayed on the Company's web site (refer Table - 1) and the same shall be kept at the respective Registered Office of the Company and SHFL for inspection by any shareholder during business hours. Shriram Capital Limited and SHFL continued as promoter and subsidiary of the Company respectively.

8. RESERVE BANK OF INDIA DIRECTIONS/ GUIDELINES

The Company is a deposit accepting NBFC and is regulated by the applicable regulations of the RBI. The Company continues to comply with all applicable regulations of RBI. The details of registration with RBI appear on note no - 1 to notes to the financial statements. The Board confirms that the Company followed the corporate governance standards prescribed by the RBI. The note nos 45, 48 to 84 and other notes of the notes to financial statements contain the information required to be reported under the regulations of the RBI. The disclosure under the Act with respect to deposits is not applicable to our Company as our Company is a NBFC regulated by RBI. The Company accepts/ renews deposits as per regulations of RBI. The followings are the indicators of acceptance of deposits.

Description	March 31	
	2021	2020
Capital Adequacy and Reserve Ratio ("CRAR")*	28.64%	27.69%
Net owned funds (₹ in crores)	7,306.42	6,786.76
Statutory Liquidity Ratio	19.35%	18.37%
Deposits (₹ in crores) including maturity payable	5,590.46	4,121.90

* The RBI prescribes the maintenance of CRAR 15 percent and above.

Our principal source of liquidity are cash, cash equivalent, current investments and cash flow from operations. We maintain sufficient cash to meet strategic and operational needs. We understand that the liquidity in the Balance sheet need to balances between return and risk. We believe that our working capital is adequate to meet our current requirements.

9. CORPORATE GOVERNANCE

The Company follows the corporate governance practices and standards prescribed under LODR, regulations of RBI and other regulations. Report on corporate governance as required under Regulation 34(3) of LODR together with a certificate for the purpose from the auditors of the Company confirming the compliance with the corporate governance is attached to this Report (Annexure - 2). As required under Regulation 34(2)(e) and 34(3) of LODR, the Management Discussion and Analysis on the business of the Company is attached as Annexure – 3. As required under Regulation 17 (8) of the LODR, a compliance certificate, duly signed by the Managing Director & Chief Executive Officer and Chief Financial Officer on the financial statements of the Company for FY21, was submitted to the Board at their meeting held on April 30, 2021 (Annexure - 4). The relevant provisions of the voluntary guidelines are adopted in the areas deemed appropriate.

10. BUSINESS RESPONSIBILITY REPORT ("BRR")

Regulation 34(2)(f) of the LODR requires top 500 listed entities based on market capitalisation as on March 31, 2016 to include BRR as a part of the Annual Report. The Company being one such entity, has included BRR in this Annual Report (Annexure - 13).

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company constituted a CSR Committee consisting of three Directors including two independent directors as required under Section 135 of the Act. The details of the CSR Committee appear on the Annual Report on CSR. Annual Report on CSR activities as required under Rule 9 of the Companies CSR Policy Rules, 2014 as amended from time to time of the Act is attached to this report as Annexure – 9. The CSR policy of the Company as recommended by the CSR Committee, was reviewed and approved by the Board and is displayed on the website of the Company (refer Table - 1). The CSR policy contains the areas of activities of CSR and other detail as required under Section 134 (3) (o) of the Act. During FY21, the Company undertook CSR Projects on health, education, skill development. The spend on CSR amounting to ₹ 21.95 crores (FY20 : ₹ 10.36 crores) during FY21 were approved by the Board of the Company as recommended by the CSR Committee. The Board affirms that the CSR activities are implemented in accordance with CSR Policy of the Company.

12. BOARD AND COMMITTEES

During FY21, the Company had optimum number of Directors with mix of Independent and Non Independent. Board met 7 times during FY21. All the meetings of the Board and Committees were held virtually at Chennai through video conferencing during FY21 in view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms. The interval between two meetings did not exceed 120 days. Members of the Board possess requisite knowledge and experience to steer the Company. The brief profile of each director appear on the website of the Company (refer Table - 1). The Company is immensely benefitted from the guidance, support and advice of the members of the Board. The Board consists of directors possessing diverse knowledge, skill and experience to enhance quality of its performance. The independent directors have requisite qualification and experience to act as a Director on the Board. Details of meetings of the Board and committees held during FY21 and the details of appointment, induction, training, retirement and resignation of Directors/KMPs during FY21 are mentioned in the Corporate Governance report (Annexure - 1). The Company complied with Secretarial Standards issued by the Institute of Company Secretaries of India. The Board has Audit and Risk Management Committee ("ARMC") and Nomination and Remuneration Committee ("NRC") as specified under Section 177 and 178 of the Act respectively. The Company received necessary declaration from each independent director about his/her meeting the criteria of independence as laid down under Section 149 (7) and 134(3) (d) of the Act and Regulation 16(b) of the LODR. A statement by the Managing Director confirming receipt of this declaration from each independent director of the Company is attached as Annexure - 10. There is no change in the circumstances affecting their status as Independent Directors of the Company. The Company received required deed of covenant initially at the time of appointment and declaration during the Year from the Directors as required under regulations of RBI. The Board on the recommendation of NRC has formulated a policy for selection, appointment and remuneration of directors, senior management personnel as required under Section 178 (3) and 134 (3) (e) of the Act, the details of which appear in the Annexure – 12 and the same is displayed on the web site of the Company (refer Table - 1). This Policy states the diversity of the Board and has laid down a framework for remuneration of Directors (Executive and Non-Executive), Key Managerial Personnel and Senior Management Personnel. As required under section 134(3)(p) of the Act and the LODR, annual performance evaluation of Board, the Committees, Chairman of the Board and individual directors were carried out during FY21 based on the criteria and frame work adopted by the Board consisting of participation, attendance, duties, obligations, contribution for effectiveness and related matters of Board/Committee. The outcome of such evaluation done during FY21 was discussed by the NRC/Board and both found it satisfactory. The Independent Directors expressed satisfaction over the performance and effectiveness of the Board, individual Non-Independent Directors and the Chairman. The Independent Directors played active role in the meetings of Committees including Audit and Risk Management Committee ("ARMC"). ARMC held separate meetings to discuss related party transactions and to review policies of the Company. The ARMC also had separate meetings with Statutory Auditors, Internal Auditors and participated in the meeting with Rating Agencies separately. Each Director has given his/her declaration to the Company for not holding any shares in the Company and having no relation *inter se* with any Director. Independent Directors attend familiarization programme on joining the Board and annually, the details of which is displayed on the web site (refer Table - 1). As per provisions of the Act and Articles of Association of the Company, Sri Duruvasan Ramachandra (DIN – 00223052) will retire by rotation and being eligible, has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. In compliance with requirements under section 149(7) of the Act and Regulation 16(1) of the LODR, the Board has received the declaration from all the Independent Directors about their independence and the Board is satisfied about it. During FY21, there was no change (appointment/resignation) in the Key Managerial Personnel namely, Managing Director, Chief Financial Officer and Company Secretary of the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements were prepared by following Indian Accounting Standard ("Ind AS") prescribed under Section 133 (3) of the Act and relevant rules and guidelines issued by Securities Exchange Board of India ("SEBI") and Reserve Bank of India (RBI). Pursuant to Sections 134 (3) (c) and 134 (5) of the Act with respect to Directors' responsibility statement, the Directors of the Company hereby confirm, in the preparation of annual accounts for FY21 that :

(i) the applicable accounting standards have been followed and proper explanations have been made in notes to accounts for material departures, if any;

(ii) the accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and statement of the profit and loss of the Company for the year ended on that date;

(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

(v) internal financial controls to be followed were laid down, which were adequate and were operating effectively and

(vi) proper systems had been devised to ensure compliance with provisions of applicable laws, which were adequate and were operating effectively.

14. AUDIT AND AUDITORS

Internal audits were conducted periodically during FY21 and the reports thereon were presented to ARMC on quarterly basis. The Internal Auditor is appointed and reporting to ARMC. In addition to others matters, internal audit consisted of independent and objective assessment to monitor adequacy, effectiveness and adherence to the internal controls, processes and procedures Internal audit also checked compliance with extant regulations. Internal audit conducted followed a Risk-based approach of Internal Audit (RBIA) by taking into account the RBI guidelines and established practices. The ARMC regularly reviewed the audit findings and the adequacy and effectiveness of the internal control measures.

The Company has documented its internal financial controls considering the essential components of various processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance which commensurate with the nature of business and the size of its operations of the Company. This ensures conducting business in orderly and efficiently by adhering to the Company's policies, safeguarding assets, preventing errors with accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Company's organization structure, policy, authority matrix and internal financial controls ensure efficiency of operations, protection of resources and compliance with the applicable laws and regulations .The policies are reviewed periodically and updated and systems are reviewed and upgraded. The internal financial control is supplemented by internal audits, regular reviews by management to ensure reliability of financial and other records to prepare financial statements and other data.

The auditors of the Company, M/s G.D. Apte & Co. Firm Registration No – 100515W Chartered Accountants ("GDA") have submitted to the members of the Company the attached Independent Auditors Reports for FY21 on standalone financials and consolidated financials. Both the reports are unqualified, without any reservation or adverse remark or disclaimer and thus the Board does not have any explanation or comment. M/s P. Sriram & Associates, Company Secretaries (Certificate of Practice No : 3310 and Membership No : FCS F4862) in practice, Chennai ("PSA") appointed by the Company as the secretarial auditors pursuant to Section 204 of the Act have conducted audit and have submitted their report as attached in Annexure - 14 to the Members, which is unqualified, without any reservation or adverse remark or disclaimer. Therefore, Board does not have any explanation or comment on such Secretarial Audit Report. The details of penalties/fines paid during the year appear in the notes to accounts. Maintenance of Cost records and conducting of cost audits specified under section 148(1) of the Act are not applicable for the business activities carried out by the Company. During the Year neither GDA nor PSA reported to ARM under Section 143(12) of the Act any instances of fraud committed by officers or employees of the Company. The Board appointed PSA as secretarial auditor of the Company for FY22.

GDA was appointed by the members as the auditors of the Company from 32nd AGM till conclusion of 36th AGM of the Company. GDA have confirmed their eligibility and have communicated their willingness to continue as auditors. Necessary resolution, based on the recommendation of the ARMC and approval of the Board, to fix remuneration of GDA as Auditors is proposed at the ensuing AGM. The details of payment of Statutory Auditors fees appear in financial statements

The RBI vide its guidelines/circular no RBI/ 2021-22/ 25 Ref. No. DoS. CD. ARG/ SEC.01/ 08.91.001/ 2021-22 dated April 27, 2021 on appointment of statutory auditor (s) by Non-Banking Financial Company (NBFC), has given flexibility to NBFCs to adopt these guidelines from second half of the Financial Year 2021-22 ("H2FY22" in order to ensure no disruption. Accordingly, the NBFCs shall appoint Statutory Auditors for a continuous period of three years from FY22. GDA, the Statutory Auditors of the Company has conducted audit of the accounts of the Company for four consecutive financial years ending March 31, 2021. It is proposed that GDA the Statutory Auditors of the Company will continue to hold their office till such period as may be permitted by the law. In that event, it is proposed to pay their remuneration for conducting audit of Company's accounts for the full financial year ending March 31, 2022. Otherwise, it is proposed to pay remuneration to GDA, the Statutory Auditors as may be fixed by the Board of Directors of the Company depending upon scope of their work on pro-rata basis for holding the office of the Statutory Auditors for part of the FY22 as mentioned in the resolution at Item Nos.4 of the Notice of ensuing 35th Annual General Meeting. The ARMC and Board have recommended passing of this resolution.

15. MANAGEMENT OF RISK

The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has a risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors and the matters required under Section 134 (n) of the Act. In the opinion of the Board, there is no risk existing to threaten the existence of the Company Report on risk assessment is presented to ARM at its meeting by the Chief Risk Officer of the Company.

16. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 specify the information to be furnished on conservation of energy, absorption of technology and foreign exchange earnings/outgo, which for the Year are furnished below.

The operations of the Company are not energy intensive. However, adequate measures for conservation of energy, usage of alternate sources of energy and investments for energy conservation, wherever required were taken. The Company did not absorbed any technology. There was foreign exchange earnings of ₹ 1.90 crores (FY20 : ₹ 1.71 crores). The outgo of foreign exchange was ₹ 6.23 crores (FY20 : Nil)

17. ACKNOWLEDGEMENT

We thank our customers, share holders, investors, bankers, employees, trustees, vendors, auditors, deposit holders and debenture holders. The Board expresses its appreciation and gratitude for the guidance and cooperation extended to the Company by RBI, statutory authorities and regulators. The Board acknowledges the guidance of M/s GDA and M/s PSA to the Company. The Board records the commitment and dedication of employees.

For and on behalf of the Board of Directors

Place : Chennai
Date : April 30, 2021

Debendranath Sarangi
Chairperson

Report on Corporate Governance

Annexure 1

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERANCE

The philosophy of the Company on Corporate Governance aims at enhancing the stake holders' value by efficiently conducting business, meeting obligation to stake holders by being guided by the principles of transparency, accountability, compliance with regulations and integrity.

2. BOARD OF DIRECTORS

2.1 Composition and appointment

The Board of Directors of the Company ("Board") consists of Executive, Non-Executive, Independent and Non Independent Directors to ensure independent functioning of the Board. We feel that this is appropriate mix of executive, non executive and independent Directors to maintain independence and separate the functions of governance and management. Total number of Directors as on March 31, 2021 was nine. Five out of nine Directors, which is more than half of the number of members of the Board are Independent. One Independent Director is Woman. The Company has succession planning. The Independent Directors meet the criteria of independence specified in Regulation 16 (1) (b) and other applicable regulations of LODR and each Independent Director is independent of the management. The Independent Directors meet the criteria for appointment formulated by the Nomination and Remuneration Committee ("NRC") as approved by the Board. NRC has formulated a Policy on Appointment, Remuneration and Diversity of Board (Annexure - 12), which is displayed on the web site of the Company (refer Table - 1). This ensures diversity of qualification, skill, experience, expertise, gender and age of the Board. The appointment of Directors is made through a transparent process as specified in the policy. Directors appointed are issued with appointment letters. The format of such appointment letter is displayed on the web site of the Company (refer Table - 1). The Board periodically evaluates the need for change in size and composition of the Board. Independent Directors were appointed for a fixed period of five years from the date of their respective appointments and their appointments were approved by the members in respective meetings.Non Independent Directors were appointed as per provisions of law. On appointment and during the year, each Independent Director is familiarised with the Company, business, industry, roles and responsibilities, the details of which are displayed on the website of the Company (refer Table - 1). The chairperson presides over Board Meeting (BM) and meetings of the share holders. The MD and CEO acts as a link between the Board and the management team. The following chart or matrix identified by the Board as the required skills/ expertise/ competencies in the context of the NBFC sector and the Company.

Report on Corporate Governance
Annexure 1 (Contd.)

No.	Name of the Director	Skills / Expertise / Competencies identified by Board												
		Financial	Regulatory affairs	Capital market/ treasury	Sales/ Marketing / Recovery	Technology	Risk Management	Planning	Business Analysis	Investor servicing	Decision making	Diversifying the products	Human Resource Management / Leadership	Mergers and Acqusitions
1	Debendranath Sarangi		YES					YES		YES	YES		YES	
2	Yalamati Srinivasa Chakravarti	YES		YES	YES	YES	YES	YES	YES		YES	YES	YES	
3	Diwakar B Gandhi	YES	YES	YES	YES	YES					YES	YES	YES	YES
4	Duruvasan Ramachandra			YES	YES	YES	YES		YES		YES	YES	YES	
5	Ignatius Michael Viljoen	YES					YES				YES		YES	
6	Maya S Sinha	YES	YES				YES		YES	YES	YES		YES	
7	Pranab Prakash Pattanayak	YES	YES	YES			YES		YES		YES		YES	YES
8	Shashank Singh	YES		YES				YES	YES		YES			YES
9	Venkataraman Murali	YES	YES			YES	YES			YES	YES		YES	YES

2.1 DETAILS OF DIRECTORS

No	Name of the Director	DIN	Category of Directorships		Position	Name of the listed entities	Chairmanship of Committees	Membership of Committees	BM	ALCO	ARMC	BSMC	CSR	ITS	NRC	SRC	IDM	AGM #	*	**	***	Remuneration (₹ in crores) ^	Percentage of increase during FY21	Ratio of remuneration of each Director/ to median remuneration of employees
1	Sri Debendranath Sarangi	01408349	NE	I	Chairperson	1.Voltas Limited - Non Executive, Independent Director 2. Southern Petrochemical Industrial Corporation Limited, Non Executive, Independent 3. Tamilnadu Petroproducts Limited, Non Executive, Independent	-	CSR, NRC	7		-		3		4	-	1	Present	5	1	-	0.08	6.667	5.033
2	Sri Y S Chakravarti	00052308	E	NI	MD and CEO	-	-	ALCO, CSR, IT Strategy Committee, SRC	7	4			3	2		-		Present	-	-	-	0.64	20.527	40.267
3	Sri C R Muralidharan	02443277	NE	I	Director																	-	-	-
4	Sri Diwakar B Gandhi	00298276	NE	I	Director	-	NRC	SRC	7	-	-	-	-	-	4	1	1	Present	7	-	-	0.07	27.273	4.404
5	Sri Duruvasan Ramachandra	00223052	NE	NI	Director	CES Limited - Non Executive, Independent Director	-	-	7	-	-	-	-	-	-	-	-	Present	3	3	-	-	-	-
6	Sri Ignatius Michael Viljoen	08452443	NE	NI	Director	Shriram Transport Finance Company Limited - Non Executive, Non Independent Director	-	NRC	7	-	-	-		-	4	-	-	Present	6	-	-	-	-	-
7	Smt Maya S Sinha	03056226	NE	I	Director	Shreyas Shipping and Logistics Limited - Non Executive, Independent Director	CSR,SRC	ARMC	7	-	2	-	3	-	-	1	1	Present	10	-	1	0.075	66.667	4.719
8	Sri Pranab Prakash Pattanayak	00506007	NE	I	Director	-	ALCO	ARMC	4	2	2	-	-	-	-	-	1	Not present	1	-	-	0.045		2.831
9	Sri Shashank Singh	02826978	NE	NI	Director	Zensar Technologies Limited - Non Executive, Non Independent Director	-	-	7	-	-	-	-	-	-	-	-	Present	5	1	-	-	-	-
10	Sri Venkataraman Murali	00730218	NE	I	Director	Take Solutions Limited - Non Executive, Independent Director	ARMC	SRC,ITS	7	-	4	-	-	2	-	2	1	Present	4	1	1	0.08	45.455	5.033

BM - Board Meeting, ALCO - Asset Liability Management Committee, ARMC - Audit and Risk Management Committee, BSMC - Banking and Securities Management Committee, CSR - Corporate Social Responsibility Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders Relationship Committee, IDM - Independent Directors Meeting, AGM - Annual General Meeting

Sri C R Muralidharan, ceased to be a Director due to demise w.e.f. October 8, 2020

ARMC was reconstituted with Sri Venkataraman Murali as the Chairperson,Sri Pranab Prakash Pattanayak and Ms Maya S Sinha as Members of the Committee w.e.f. October 30 , 2020

ITS was reconstituted with Sri Venkataraman Murali as Chairperson, Sri Y S Chakravarti, Sri Ramasubramanian Chandrasekar, Smt Anitha S, Sri R Jayaraman and Sri M Karthikeyan as Members of the Committee w.e.f. November 2, 2020

SRC was reconstituted with Ms Maya S Sinha as Chairperson, Sri Diwakar B Gandhi , Sri Venkataraman Murali and Sri Y S Chakravarti as Members of the Committee w.e.f. November 3, 2020

Sri Ramasubramanian Chandrasekar is member of the ALCO but not member of the Board

Sri Ramasubramanian Chandrasekar, Smt Anitha, Sri R Jayaraman and Sri M Karthikeyan are members of the IT Strategy Committee but not members of the Board

Sri Ramasubramanian Chandrasekar, Smt Krithika Doraiswamy and Sri R Jayaraman are members of the BSMC but are not members of the Board

Non - Executive ("NE"), Executive ("E"), Non Independent ("NI"), Independent ("I"), Managing Director and Chief Executive Officer ("MD and CEO")

***Number of directorships held in other companies** (including alternate directorship) held in other companies except Shriram City Union Finance Limited. **Membership of the Committees of the Board of Directors of other companies. ***Chairmanship of the Committees of the Board of Directors of other companies. "Committee" of other companies here means Audit Committee and Shareholders'/Investors' grievance committee public limited companies in India.

^Excluding GST

Remuneration : Independent Directors are paid sitting fees only for being a member attending respective meetings of Board ALCO, ARMC, CSR, NRC, SRC, IDM and General Meting ₹ 50,000 per meeting attended and ₹ 25,000 for ITS Committee attended.The remuneration of MD and CEO is as per terms of his appointment.

During FY21 63 meetings of BSMC, Four meetings of ALCO/ARMC/NRC, three meetings of CSR, two meetings of ITS, two meetings of SRC and one meeting of IDM were held during FY21.

% increase-Increase in remuneration in FY21 over FY20

Ratio of remuneration-Ratio of remuneration of each Director/to median remuneration of employees

Name of Other listed entities - Name of other listed entities where directorship is held and category of directorship

All Directors are required to declare holding of equity shares or convertible instruments in their name or on beneficial basis by them in the Company as per para C (2) (f) of Schedule V of LODR. All Directors declared no such holding by them. All Directors have made declaration about their category of directorships in the Company at the time of their appointment and make this declaration annually. All such annual declarations for FY21 were placed before the BM held on April 30, 2021. None of the Directors is related *inter se* in terms of 'relative' defined under the Act. Monitoring and managing misuse of Company's assets, potential conflicts of interest of management, board members and shareholders, and abuse in related party transactions are done by the Board on quarterly basis.

2.2 Board process

BM takes place at least once in each calendar quarter with specific agenda to review, in addition to other matters, the performance and financial results of the Company. Management team makes presentations on the operations, financial results, strategy, internal audit, risk management and human resource at the meetings of the Board and Committees. Familiarisation programmes are conducted periodically. Additional BMs are held by giving appropriate notice on specific needs. The maximum time gap between two BMs does not exceed 120 days. The calendar of BMs for a financial year is decided in advance. Notice and Agenda of each BM are sent to each Director in advance. In addition to Directors and Senior Management team, persons who can give insight to respective subjects are invited to the BMs. In special and exceptional circumstances, additional or supplementary item(s) is/are permitted. The Chairman and Company Secretary draft the agenda for each BM in consultation with MD & CEO and CFO with inputs from Directors and the respective functional heads of the Company. Where it is not practicable to attach any document to the agenda of BM, the same is tabled at the BM. In cases of business exigencies or urgent matters, agenda with required papers and draft of the resolution to be passed are circulated. The information as per the requirement of corporate governance norms are made available to the Board including the information as mentioned in regulation 17 (7) of LODR. The Board is also free to take up any matter for discussion in agreement of specified number of Directors and in consultation with the Chairperson. The Board has accepted all recommendations of its committees during FY21. The required decisions taken in the BM are communicated to the concerned functional heads of the Company and an action taken report is placed at each BM. The Board has complete access to all the information and employees of the Company.

The deliberations and decisions occurring in every BM are entered in the minute book. The draft minutes are circulated within specified time to the members of the Board. The minutes are prepared by suitably incorporating the suggestions and changes given by members and are finalised by the Chairperson. The minutes are signed by the chairperson of the same meeting or by the chairperson of the succeeding meeting within the specified time line. The minutes of the BM are circulated to all the members of the Board.

The process specified above for BMs are followed for the meetings of all the Committees constituted by the Board as far as practicable. The minutes of the meetings of the Committees are placed before the BM for discussion, action if any and noting. The minutes of the subsidiary company of the Company are placed before the BM on quarterly basis. The performance evaluation of all independent directors is done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the NRC .The Board also evaluates the fulfillment of the independence criteria as specified in LODR and their independence from the management. The criteria of performance evaluation of independent directors as laid down by the NRC is attached as Annexure - 12.

2.3 Functioning of the Board

The Board is the apex body constituted by share holders for overseeing the overall functioning of the Company. The day to day affairs of the Company are managed by senior management team headed by the Managing Director and Chief Executive Officer, who functions under the overall direction, supervision, and control of the Board. The Board and Committees review and guide on the matters specified in different regulations in addition to strategies, plans, risk management, budgets, setting performance objectives and monitors implementation and corporate performance. The Board monitors the effectiveness of practices with respect to governance, disclosure, communication and compliance with regulatory requirements. Board has constituted committees with specific terms of reference by delegating some of its power, where ever required. Committees constituted are as per requirements of business and as mandated under laws. On constitution of Committees, the Board defines the terms of reference and appoints members and the chairperson of the Committee. Committees are named according to broad term of reference. The Committees are constituted or re-constituted depending on business or regulatory need. The Committees are reconstituted with change in members as the need be. The Board thus exercises close control over the functioning of the Company with a view to enhancing the stakeholder value. The Board periodically reviews the compliance by the Company of all applicable laws, as well as steps taken by the Company to rectify non-compliance, if any. Independent Directors play an important role in the governance process of the Board.

2.4 Board meetings and attendance of Directors

Seven BMs were held during FY21 - on May 4, 2020, June 11, 2020, July 31, 2020, August 11, 2020, November 2, 2020, January 29, 2021 and March 26, 2021 and the time gap between the two BMs did not exceed 120 days during FY21. The attendance and other relevant details of each Director are mentioned in table 2.1. All the meetings of the Board and Committees were held through virtually at Chennai through video conferencing during FY21 in view of COVID-19 pandemic and to adhere to the lockdown and social distancing norms. All the participants made declaration individually in the meetings about receipt of agenda, clarity of audio/video, recording of attendance etc at the beginning of each meeting.

None of the Directors is a member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities as required under regulation 26 (1) of LODR. Directors submitted their requisite disclosures to the Company regarding their directorship and Committee positions in other Companies. The quorum for the BMs is as per provisions of law. The BMs are attended by in addition to, the members of the Board, senior management team and persons who can give insight to different subjects. Board Members attend the BMs being present personally or through video facilities. The meetings of Committees are held as per provisions of law. The number of meetings held during FY21 is mentioned in the table 2.1. As far as possible, same process is followed for meetings of Committees as BMs.

2.5 Meeting of Independent Directors

A meeting of Independent Directors was held on November 2, 2020 as required under Regulation 25 (3) of the LODR and Schedule IV of the Act to discuss the matters specified therein. The attendance and other relevant details of each Director are mentioned in table 2.1

2.6 Code of Conduct for Directors and senior management

The Board has laid down "Code of Conduct for Board Members and Senior Management" ('CCBS') for the members of the Board and for designated senior management personnel as required under regulation 17 (5) of the LODR. The CCBS is displayed on the web site of the Company (refer Table - 1). All the Board members and the designated senior management personnel affirmed compliance with the Code. A declaration to this effect signed by the Managing Director and CEO is attached as Annexure – 11.

2.7 Remuneration of Directors

We affirm that the remuneration of the Directors is governed by the policy of the Company named "Policy on Appointment, Remuneration and Diversity of Board" displayed on the web site of the Company (refer Table - 1). Non Executive Independent Directors get sitting fees for each of the meeting of the Board and Committee (where he/she is a member) attended. Such fees paid to the Directors during FY21 are mentioned in the table 2.1. The Managing Director (MD) and CEO of the Company is paid remuneration as per terms of his appointment approved by the Members. The details of remuneration of the MD and CEO is mentioned in Annexure – 8 and there are no stock option provided to the MD and CEO. No other remuneration is paid to the Directors except mentioned above. No member of the Board is granted stock options.

3. COMMITTEES OF THE BOARD

The Board has constituted committees for different purposes of the business of the Company and as per requirements outlined under the Act, LODR and regulations of RBI. Guidelines are set out in regulation 18, 19, 20, 21 of LODR. At the time of constituting a committee, the Board defines terms of reference, appoints members and chairperson. The Board makes any changes thereof of each committee as and when required. The committees are constituted or reconstituted based on business, regulatory and change requirement. The committees constituted by the Board are Asset Liability

Management Committee, Audit and Risk Management Committee, Banking & Securities Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. Brief terms of reference and the number of meetings of the committees held during the Year are provided below. The related attendance of members and composition of each Committee are mentioned in table 2.1.

3.1. ASSET LIABILITY MANAGEMENT COMMITTEE

This Committee was constituted as required under RBI notification/Regulation.

3.1.1 Brief terms of reference

(i) Formulate, review monitor and recommend Investment Policy, Policy on Asset Liability Management, Assignment and Securitisation Policy and Policy on Private Placement of NCDs (ii) Formulation of business strategy in line with the Budget, (iii) provide frame work for measuring, monitoring and managing assets liabilities/interest risk/ liquidity risk/ business risk/ other risk, (iv) decide risk management objectives and ensuring adherence to the limits set by the Board, (v) monitor the asset liability gap, (vi) any other subject as may be specified by RBI from time to time.

3.1.2 Composition and Meetings

Composition of the Committee and attendance are mentioned in the table 2.1. During FY21, the Committee met 4 times on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.2 AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee constituted as required under Section 177 of the Act, regulation 18 and 21 of the LODR and regulation of the RBI

3.2.1 Brief description of the terms of reference

(i) Review financial reporting process, financial conditions, financial statements, results of operations and ensure financial statements are correct, sufficient and credible, (ii) Review internal control and it's adequacy, financial controls, risk management systems, risk assessment reports, audit report, (iii) Recommend appointment, re-appointment, terms of appointment/ reappointment and remuneration of statutory auditors and review performance and independence of auditor, (iv) review effectiveness of audit process, adequacy and structure of internal audit, internal audit report, investigation report and follow up action thereon, (v) Review repayment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors and scrutiny of inter-corporate loans, inter-corporate investments and if necessary valuation of assets or undertaking, (vi) review and recommend monitor different policies including Risk Management Policy and formulate Related Party Transaction ("RPT") Policy and approve RPTs as required, (vii) review cyber security, (viii) approve appointment of Chief Financial Officer (CFO) (ix) Seek information from employees and (x) review utilisation of loans and/ or advances from/investment by the Company in the subsidiary(ies) exceeding specified limits. The Company Secretary of the Company acts as the Secretary for the Committee.

3.2.2 Composition and Meetings

The Composition of the Committee and attendance are mentioned in the table 2.1. The Committee met 4 times during FY21 on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.3 BANKING & SECURITIES MANAGEMENT COMMITTEE

The Banking and Securities Management Committee is formed for the purpose of banking, borrowing, securities management and other day-to-day business requirement purposes. There were 63 meetings held during FY21.

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility ("CSR") Committee was constituted as required under section 135 of the Act. The composition of the Committee and attendance are mentioned in the table 2.1

3.4.1 Brief description of the terms of reference

(i) Formulate, amend, change and recommend to the Board Corporate Social Responsibility ("CSR") Policy of the Company indicating the activities to be undertaken in compliance with applicable regulations (ii) plan, identify, evaluate, check sustainability, decide, approve execute and monitor CSR projects/ programs/activities (iii) recommend an annual action plan including the list of CSR projects or programmes specified in Schedule VII of the Act, the manner of execution, modalities of utilisation of funds in implementation, monitoring and reporting mechanism, and impact assessment (iv) approve CSR activities/expenditure in case of emergency situations or natural calamities and ongoing multi year projects/

programmes/ activities having timelines not exceeding three years excluding the year in which the project/ programmes/ activity commenced (v) recommend ratification of existing projects/programmes/ activities the duration of which has been extended beyond one year by the Board (vi) monitor and decide on all the activities with respect to CSR including appointment of any CSR Agent/ intermediary/ Implementing agency and authorise any official to do any or all necessary acts and deeds as may be required for the purpose of CSR projects/program/activity of the Company (vii) ensure transfer of Unspent CSR amount to any fund specified and (viii) ensure the activities undertaken by the Company as per CSR Policy.

3.4.2 Composition and Meetings

The Committee met 3 times during FY21 on June 11, 2020, November 2, 2020 and February 19, 2021.

3.5 IT STRATEGY COMMITTEE

The Committee was formed as required under RBI/ DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 dated June 08, 2017 and other applicable regulations of RBI.

3.5.1 Brief description of terms of reference :

(i) Approve and monitor implementation of IT strategy balancing risk and benefits etc, (ii) Formulate, evaluate and review effectiveness of IT outsourcing policy, contingency plan, (iii) Evaluate IT risks and materiality assessing significant risks and reporting to the Board of such risks, (iv) review independent audit report on IT policies and procedures and action taken on such reports.

3.5.2 Composition and Meetings :

The Committee met 2 times during FY21 on November 2, 2020 and January 29, 2021 during FY21.

3.6 NOMINATION AND REMUNERATION COMMITTEE

This Committee was constituted as required under Section 178 of the Act, regulation 19 of the LODR and regulations of RBI

3.6.1 Brief description of terms of reference :

(i) Identify fit and proper persons to be directors/ members of senior management and should such a need arise, (ii) recommend removal of director from the Board, (iii) Performance evaluation of directors, Board and Committee on an annual basis, (iv) Scrutiny of the declarations/undertakings by the Directors, (v) Formulation of the attributes for fit & proper person and independence of directors, (vi) Remuneration of directors and key managerial personnel ("KMP"), Management of employee talent, welfare, incentive scheme and stock option scheme.

3.6.2 Composition and Meetings :

The Committee met 4 times during FY21 on June 11, 2020, August 11, 2020, November 2, 2020 and January 29, 2021.

3.7 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee was constituted as required under Section 178 of the Act, regulation 20 of the LODR and regulations of RBI. The Committee looks into redressal of grievances of shareholders, debenture holders, other security holders.

3.7.1 Brief description of terms of reference:

(i) Investor/customer services/relations and resolution of grievances, (ii) Issue and listing of securities, (iii) Investor Education and Protection Fund ("IEPF") matters, (iv) Review of security holding patterns, (v) Monitor Code of Conduct for Insider Trading.

3.7.2 Composition and Meetings :

The Committee had met twice during FY21 on August 11, 2020 and January 29, 2021. There were no outstanding shareholder complaint at the beginning of FY21 and the Company has not received any complaint from the shareholder during FY21. No complaint was pending as on March 31, 2021.

4 SUBSIDIARY COMPANY

M/s Shriram Housing Finance Limited, CIN : U65929TN2010PLC078004 ("SHFL") is the only subsidiary of the Company. SHFL is managed by it's Board of Directors consisting of 4 Directors out of which 2 Independent Directors and 2 non Independent Directors. Since, SHFL is an unlisted non material subsidiary, the Company is not required to nominate one of it's independent directors on the Board of SHFL. However, the Board nominated Sri Venkataraman Murali, an independent director of the Company as a director on the Board of SHFL. The financial statements, in particular the investments made by SHFL were reviewed during FY21 by ARMC of the Company. The minutes of the meetings of BM and ARM of SHFL were placed before the BM and ARMC of the Company quarterly. A statement containing all the significant transactions and arrangements entered into by SHFL was placed before ARMC of the Company. The Policy on Material Subsidiaries and Events and Policy on Preservation and Archival of Documents is available at the website (refer Table - 1)

5 RELATED PARTY TRANSACTIONS

Related party is determined based on Section 188 of the Act, regulation 23, Part A of Schedule V and other applicable regulations of the LODR, RBI regulations and applicable accounting standard. The ARMC of the Company and the Board have approved policy on RPTs, displayed on the web site of the Company (refer Table - 1). The RPTs were reported to the ARMC on quarterly basis. Requisite approvals of ARMC and the Board were taken for RPTs. The details of transactions with entity(ies) belonging to promoter/ promoter group which holds 10% or more shareholding in the Company is given in the notes to accounts of the financial statements. There were no material RPTs during FY21. RPTs are reported in note no. 44 of the Notes to accounts of the financial statements.

6 SHARE HOLDER INFORMATION AND DISCLOSURES

6.1 Corporate

The Company was incorporated on March 27, 1986 as Shriram Hire-Purchase Finance Private Limited with Registrar of Companies, Tamil Nadu, Chennai and got fresh certificate of incorporation consequent to change of name to Shriram City Union Finance Limited with effect from April 10, 1990. The Company made an initial public offering in December, 1994. The corporate identification number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L65191TN1986PLC012840. The Company is registered as a Non Banking Finance Company ("NBFC") with RBI with registration number - 07-00458. The equity shares of the Company are listed in M/s BSE Limited ("BSE") and M/s National Stock Exchange of India Limited ("NSE").

6.2 Appointment/reappointment of Directors

One third of the Directors liable to retire by rotation, retires by rotation and if eligible seek reappointment at AGM. As per provisions of the Act and Articles of Association of the Company, Sri Duruvasan Ramachandra holding (DIN – 00223052) will retire by rotation and being eligible has sought for re-appointment at the ensuing AGM. He has expressed his intention and confirmed his eligibility to continue as Director of the Company if appointed at the ensuing AGM. The notice of the 35th AGM contains this.

6.3 General body meetings / Postal Ballots

The date, time and venue of last three AGMs held and special resolutions passed thereat are as follows. No Extraordinary General Meetings ("EGMs") was held during the last three years.

Year ended March 31	AGM	Location	Date	Time	Special Resolutions passed
2018	32nd AGM	Narada Gana Sabha (Mini Hall), No 314 (Old No 254) T T K Road, Alwarpet, Chennai – 600 018	July 25, 2018	10.00 am	*
2019	33rd AGM		July 29, 2019	10.00 am	**
2020	34th AGM	Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") at Chennai	July 31, 2020	10.00 am	***

*Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 36,000 crores and private placement of securities

** Appointment of Sri Pranab Prakash Pattanayak (DIN- 00506007) as an Independent Director, Appointment of Sri Venkataraman Murali (DIN-00730218) as an Independent Director, Increase in borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores and private placement of securities

*** Appointment of Sri Ignatius Michael Viljoen (DIN – 08452443) as a Non Independent Director, Appointment of Sri Debendranath Sarangi (DIN – 01408349) as an Independent Director, Appointment of Smt Maya S Sinha (DIN – 03056226) as an Independent Director and Borrowing powers under section 180(1) (c) of the Act for an amount not exceeding ₹ 40,000 crores

The following special resolutions were passed under Section 180 (1) (a) of the Act through postal ballot and remote e-voting in FY20 for creation of security on the assets/ receivables of the Company and for securitisation.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	58	4,17,43,594	97.01	14	12,86,011	2.99	July 28, 2015
PBF	166	12,81,551	99.94	9	553	0.04	
E	72	4,99,04,913	92.14	32	42,46,650	7.84	July 28, 2016
PBF	72	9,777	0.02	7	292	0.00	
E	100	5,85,57,370	99.85	6	80,871	0.14	June 12, 2018
PBF	74	8,009	0.01	5	127	0.00	
E	64	54,781,018	95.30	37	2,697,401	4.69	July 25, 2018
PBF	58	4,074	0.01	4	95	0.00	
E	57	5,50,04,731	94.64	36	31,09,304	5.35	July 29, 2019
PBF	60	5,002	0.01	1	5	0.00	
E	97	5,76,98,994	99.96	7	20,948	0.04	June 12, 2020

Electronic ("E") and Postal Ballot Forms ("PBF")

The following special resolutions were passed through remote e-voting for issue of debentures on private placement basis by the Board.

Type of voting	Votes casted in favour			Votes casted against			Date of declaration of results
	No of shareholders	No of votes	Percentage of votes	No of shareholders	No of votes	Percentage of votes	
E	98	5,76,99,894	99.97	7	20,054	0.03	June 12, 2020

Sri P Sriram, M/s P. Sriram & Associates, Company Secretaries in practice was appointed as the scrutiniser for carrying the process of remote e-voting in fair and transparent manner.

All business set out in the notice of 35th AGM shall be conducted through remote e-voting in compliance with sections 108, and other applicable Sections of the Act, relevant rules and regulation 44 (3) of the LODR provided by the Company through CDSL. The notice of 35th AGM state the process of respective voting. The voting rights are based on the number shares of the Company held by the member on the cut off date. The scrutiniser appointed by the Board shall submit his report on results of the respective voting to the chairperson after completion of his scrutiny within permissible time. The facility of e-voting shall be made available at the 35th AGM with the assistance of scrutinisers for the members, who have not casted their votes through remote e-voting.

6.4 Materially significant related party transactions

During FY21, there were no materially significant RPTs entered into, which were in potential conflict with the interest of the Company at large. The details of RPTs are presented in note no 44 of the financial statements attached hereto. The statement of RPTs is placed before the Audit Committee on quarterly basis. Omnibus approval was obtained for the transactions of repetitive nature. The Related Party Transaction Policy and dealing with RPTs as approved by the Board is uploaded on the Company's web site (refer Table - 1). None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the payment of sitting fees to Directors by the Company.

6.5 Accounting treatment

The details of accounting treatment followed during FY21 are mentioned in the Notes to Financial Statements.

6.6 Risk management

Our business is subject to uncertainties and risks. The impact of these risks may impact our performance. If any of the risks materialise, our business, financial and prospectus could be materially and adversely affected. The risk management function of the Company help in identifying, analysing, assessing, mitigating, monitoring and governing risks. The Company has risk management policy. A separate section in this report titled "Management Discussion and Analysis" discusses about risk and its mitigating factors is attached to this report (Annexure - 3). Risk management report is reviewed by ARMC of the Company on quarterly basis.

6.7 Details of non compliance and penalties, strictures imposed

There were no instances of non compliance by the Company on any matter relating to capital market during last three years. No penalties, strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority (ies) last 3 years except mentioned in the notes to accounts.

6.8 Whistle Blower, Vigil Mechanism and Prohibition of Insider Trading

The Company promotes ethical behaviour in all it's business activities. Accordingly ,the Company has formulated "Whistle blower and Vigil Mechanism Policy" in line with regulation 22 of the LODR and RBI regulations for employees to report concerns about unethical behavior providing for adequate safeguard against victimisation of directors/employees, who avail of the mechanism. This policy is disclosed in the web site of the Company. No person is denied access to the ARMC. The Company has formulated "Code for Fair Disclosure and Conduct", which is displayed on the web site of the Company (refer Table - 1).

6.9 Audit of Reconciliation of share Capital

Audit of reconciliation of share capital is mandated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996. Accordingly, this audit for reconciliation of share capital admitted with NSDL and CDSL with the total issued and listed capital were carried out on a quarterly basis during FY21 by M/s P.Sriram & Associates ("PSA"). PSA was appointed by the Board. The audit reports did not have any adverse comment and the same were submitted quarterly to BSE and NSE within stipulated time.

6.10 Means of communication

Multiple modes are adopted by the Company for communication with shareholders ,debenture holders, fixed depositors such as individual letters, publication in news papers, disclosure to BSE/NSE, display on it's web site, emails, annual reports etc. The annual and quarterly financial results of FY21 are generally published in newspaper in english in "Business Standard" and in Tamil in "Makkal Kural" within 48 hours of conclusion of the Board Meetings at which the respective financial results were approved and are sent to individual shareholders through email to those shareholders registered their email ids with the Company. Financial Results are also available on the website of the Company (refer Table - 1), BSE and NSE. During FY21, financial results were not published in news papers as exempted under SEBI circulars SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 and SEBI/HO/CFD/CMD1/CIRs/P/2020/79 dated May 12, 2020 for Q4-FY20 and Q1-FY21.

The Company also gives press release in different news papers after declaration of financial results for information of investors. The Company's website contains a separate section "INVESTOR", where shareholder/security holder information are displayed. Presentations made to institutional investors, investors/earning conference calls or to the analysts transcripts, and other general information about the Company are also available on the Company's website (refer Table - 1).

The annual report of the Company is also displayed at the same section of the website of the Company (refer Table - 1). Shareholders have been provided with an opportunity to provide their email id for receiving correspondence and annual report in electronic form. The annual report and quarterly financial results were sent in electronic form to the registered email Ids of shareholders, who have registered their email ids. In view of the prevailing COVID-19 situation and consequent lockdown across the country, the Ministry of Corporate Affairs (MCA) has exempted companies from circulation of physical copies of Annual Report for year ended March 31, 2021. The Annual Report of the Company containing director's report, standalone financial statements, consolidated financial statements, auditor's report thereon and other important information are circulated to members and others entitled thereto by email. The investor complaints are processed in centralized web based complaints redressal system controlled by SEBI known as SEBI Complaint redress system ("SCORES"). The Investor section of the web site contains specified email ids for investor servicing i.e. sect@shriramcity.in, scufncd18@shriramcity.com, customersupport@shriramcity.com, shriramcity@shriramcity.in The Company has been filing the information related to corporate governance, shareholding pattern, reconciliation of share capital audit and quarterly financial results in the website of NEAPS (National Electronic Application Processing System) viz https://neaps.nseindia.com/NEWLISTINGCORP/ and on BSE Listing Centre https://listing.bseindia.com. The presentations made by the Company to analysts are displayed on the web site of the Company (refer Table - 1). The SRC of the Board examines and redresses grievances of the shareholders and investors. The status of grievances of shareholders and investors are reviewed by the ARMC and Board. The Company discloses to BSE/NSE information required to be disclosed under Regulation 30 read with Part A of Schedule III of the LODR including material information having a bearing on the performance / operations of the Company or other price sensitive information. The Board of Directors has approved a policy for determining materiality of events as required under LODR.

6.11 Details of 35th AGM

a. Date and Time	July 29, 2021 at 10 a.m.
b. Venue	The Company will conduct meeting through VC/OVAM pursuant to the MCA circular and as there is no requirement to have venue for the AGM. For details please refer to the Notice of AGM.
c. Dividend	Interim dividend and 2nd Interim dividend of ₹ 10.00 per equity share declared by the Board at its meeting held on November 2, 2020 and March 26, 2021 were paid on November 27, 2020 and April 19, 2021 respectively. The Board has recommended final dividend of ₹ 13.00 per equity share at its meeting held on April 30, 2021.

6.12 Financial Year

The financial year for FY21 was from April 1, 2020 to March 31, 2021. The next financial year is from April 1, 2021 to March 31, 2022. The financial year of the Company is from April 1 to March 31.

6.13 Details of listing on stock exchanges

The annual listing fees to BSE and NSE and annual custodian fees to NSDL and CDSL for FY21 for the Company were paid on time. The equity shares of the Company with ISIN – INE722A01011 are listed in BSE with stock code 532498 and NSE with stock code SHRIRAMCIT. The details of listed secured redeemable non-convertible debentures (NCDs) of the Company are displayed on the website of the Company (refer Table - 1). The Company submitted the documents/information to the respective Trustees for the issues and allotments of NCDs made on time during FY21 in compliance of Regulation 55 of the LODR.

Report on Corporate Governance
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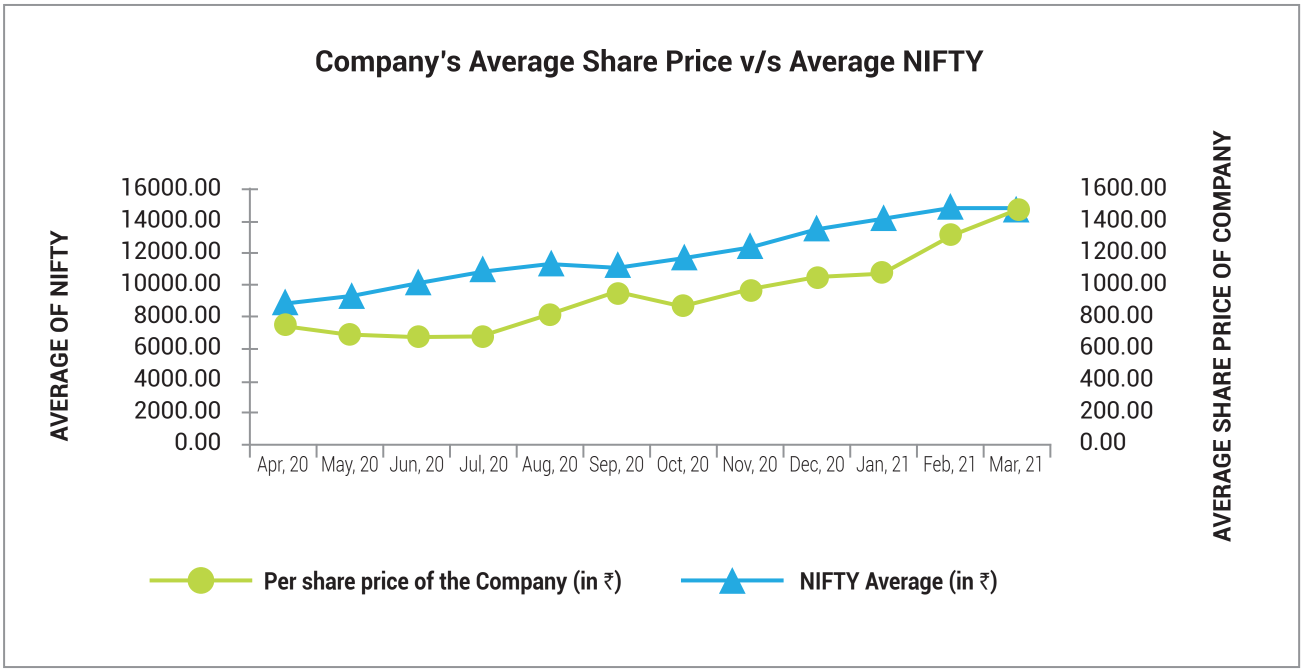
6.14 Stock market price data

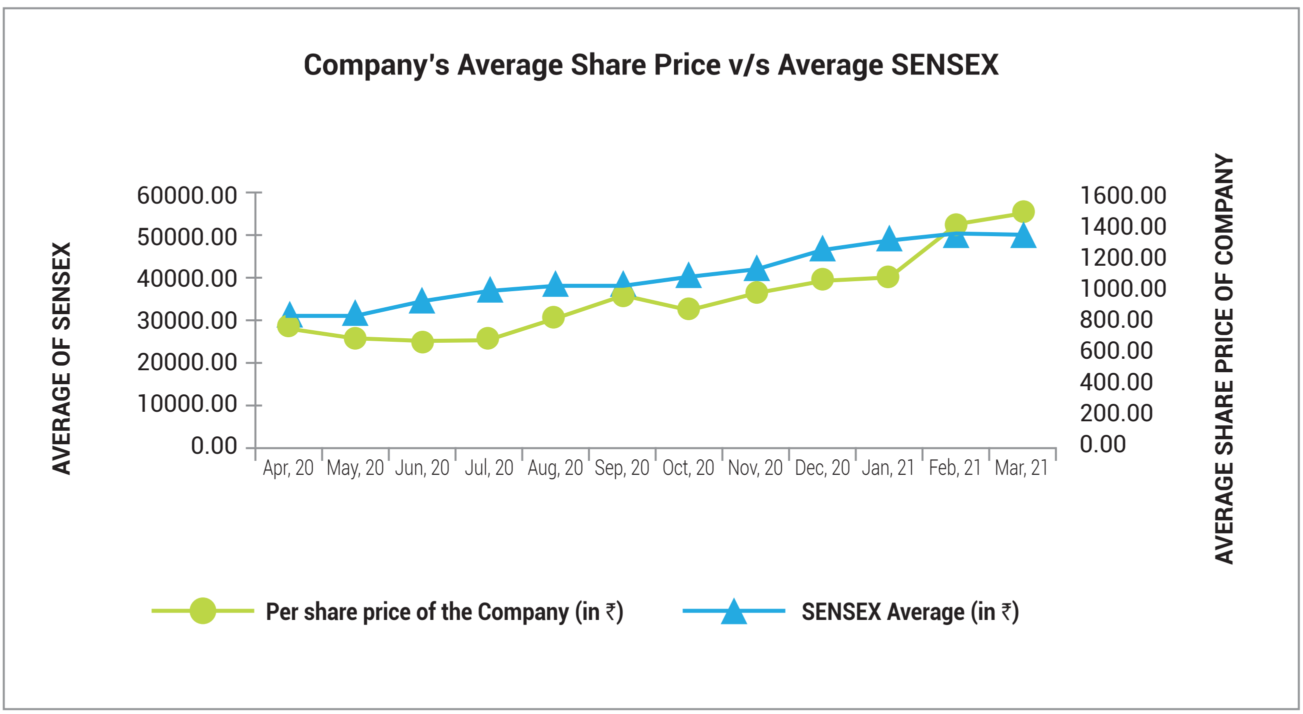
The volume and market price (high and low) of equity shares of the Company traded during each month during FY21 are given below.

Month	NSE							BSE						
	Per share price (in ₹ of the Company)			Volume of shares traded	NIFTY (in ₹)			Per share price (in ₹ of the Company)			Volume of shares traded	SENSEX (in ₹)		
	High	Low	Average		High	Low	Average	High	Low	Average		High	Low	Average
Apr-20	795.00	711.00	753.00	356127	9859.90	8083.80	8971.85	791.95	717.15	754.55	9183	33717.62	27590.95	30654.29
May-20	754.95	642.85	698.90	227283	9580.30	8823.25	9201.78	739.20	639.95	689.58	11872	32424.10	30028.98	31226.54
Jun-20	716.70	641.00	678.85	2335823	10471.00	9813.70	10142.35	702.70	632.80	667.75	140203	35430.43	33228.80	34329.62
Jul-20	711.50	666.45	688.98	1599241	11300.55	10430.05	10865.30	708.75	657.55	683.15	68006	38492.95	35414.45	36953.70
Aug-20	989.85	657.05	823.45	2840188	11647.60	10891.60	11269.60	982.20	655.70	818.95	205438	39467.31	36939.60	38203.46
Sep-20	1002.20	881.00	941.60	889961	11604.55	10805.55	11205.05	996.80	885.45	941.13	35322	39302.85	36553.60	37928.23
Oct-20	951.35	784.00	867.68	456172	11971.05	11416.95	11694.00	936.40	778.90	857.65	21430	40794.74	38697.05	39745.90
Nov-20	1113.00	810.00	961.50	1185574	13055.15	11669.15	12362.15	1102.55	821.90	962.23	40300	44523.02	39757.58	42140.30
Dec-20	1120.40	952.50	1036.45	897116	13981.95	13109.05	13545.50	1108.75	989.65	1049.20	39730	47751.33	44618.04	46184.69
Jan-21	1154.00	992.00	1073.00	1089775	14644.70	13634.60	14139.65	1144.85	983.80	1064.33	63231	49792.12	46285.77	48038.95
Feb-21	1606.10	1050.00	1328.05	2235516	15314.70	14281.20	14797.95	1609.95	1155.45	1382.70	151851	52154.13	48600.61	50377.37
Mar-21	1576.50	1357.00	1466.75	374142	15245.60	14324.90	14785.25	1570.20	1353.60	1461.90	39520	51444.65	48440.12	49942.39

Average price per share= (High price per share+Low price per share)/2

6.15 Movement of share price of the Company in comparison to NIFTY and SENSEX





Report on Corporate Governance
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6.16 Contact Details

Particulars		Name	Address	Contact person name	Telephone number	Fax Number	E-mail id
Registrar and Transfer Agents (RTA)	Equity Shares & Dividend	Integrated Registry Management Services Private Limited	2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off North Usman Road, T. Nagar, Chennai – 600 017	Smt Anusha N Sri K Balasubramanian	+ 91 44 2814 0801 /02/03	+ 91 44 2814 2479	csdstd@integratedindia.in
	Public issue of NCDs 2011, 2012 and 2019						csdstd@integratedindia.in or scuf@integratedindia.in
	Public issue of NCDs 2013 and 2014	Shriram Insight Share Brokers Ltd	CK – 5 &15, Sector II, Salt Lake City , Kolkata - 700 091		+ 91 33 3250 7069 +91 33 2358 7188	+ 91 33 2358 7189	scuf_nov13@shriraminsight.com and scuf_mar14@shriraminsight.com
Trustees for NCDs		Catalyst Trusteeship Limited	GDA House, First Floor, Plot No. 85, S No. 94 & 94, Bhusari Colony (Right), Kothrud, Pune – 411 038	Ms. Rakhi Kulkarni	+ 91 20 2528 0081	+ 91 20 2528 0275	dt@ctltrustee.com or grievance@ctltrustee.com
Statutory Authorities		Ministry of Corporate Affairs ("MCA")	'A' Wing, Shastri Bhawan, Rajendara Prasad, New Delhi – 110 001		+91 11 2338 4660/ 2338 4659		
		Securities and Exchange Board of India ("SEBI")	Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051		+91 22 2644 9000/ 4045 9000	+91 22 2644 9019 – 22 / 4045 9019-22	sebi@sebi.gov.in
		Reserve Bank of India ("RBI")	16th Floor, Central Office Building Shahid Bhagat Singh Marg, Mumbai – 400 001		+91 22 2260 1000		
Stock Exchanges		National Stock Exchange of India Limited ("NSE")	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051		+91 22 2659 8100 - 8114	+91 22 2659 8120	
		BSE Limited ("BSE")	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		+91 22 2272 1233	+91 22 2272 1919	corp.comm@bseindia.com
Depository		National Securities Depository Limited ("NSDL")	Trade World, A wing, 4th floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013		+91 22 2499 4200 Toll free 1800 222 990	+91 22 2497 6351	info@nsdl.co.in
		Central Depository Services (India) Limited ("CDSL")	Marathon Futurex, A - wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013		+91 22 2305 8640/8624/8639/ 8663 Toll free 1800 22 5533		helpdesk@cdslindia.com

The aforesaid details are displayed on the website of the Company.

6.17 Share transfer system:

Company's shares are held by the holders in dematerialised form and few share holders hold it in physical form. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of shares held in dematerialised form are effected through the depositories with no involvement of the Company. In terms of Regulation 40 of LODR securities can be transferred only in dematerialised form w.e.f. April 1, 2019 except in case of request received for transmission or transposition of securities. Transfer of shares held in physical form are effected through the RTA. Valid transfer requests received on or before March 31, 2021 were processed by the RTA and within stipulated time. The documents for transfer of securities held in physical form can be lodged with respective RTAs. The Board has delegated the authority to approve transfer, transmission etc of shares and securities of the Company to it's BSMC. As stipulated under Regulation 40(9) of the LODR, the Company obtained half yearly certificates of compliance with share transfer formalities from M/s SPNP & Associates, Company Secretary in practice and filed copies of the said certificates with BSE & NSE during FY21 within stipulated time. There were no deviations reported in the said certificates. The Company also received internal audit report of RTA.

6.18 Updation of Demographic Details :

Updation of Nomination, Permanent Account Number ('PAN"), Bank account details and other required details can be made by applying in the specified form with necessary enclosure to the RTA or Depository Participant as the case may be. SEBI has made PAN card as mandatory for transfer/transmission of securities.

6.19 Distribution of shareholding as at March 31, 2021

No. of equity shares held	Shareholders		Shares	
	Number	%	Number	%
UPTO 500	12,656	94.99	6,00,826	0.91
501-1000	296	2.22	2,22,502	0.34
1001-2000	132	0.99	1,88,966	0.29
2001-3000	65	0.49	1,66,539	0.25
3001-4000	23	0.17	79,009	0.12
4001-5000	25	0.19	1,12,282	0.17
5001-10000	46	0.35	3,28,317	0.50
10001 AND ABOVE	81	0.61	6,43,06,581	97.42
Total	**13,324**	**100.00**	**6,60,05,022**	**100.00**

6.20 Shareholding pattern (in %) as at March 31, 2021

Promoters	Mutual Funds	Banks and FIs	FII	Bodies Corporate	Individuals	Limited Liability Partnership	Foreign Com pany	Foreign Portfolio Investor	NRIs	Others	Alternative Investment Fund	Total
34.6337	3.5259	0.0044	0.0124	10.1278	2.4568	0.0022	20.3346	28.4741	0.1458	0.2821	0.0002	100

6.21 Dematerialisation of shares and liquidity

The Company's equity shares are tradable compulsorily in dematerialised form in BSE and NSE, which are managed by NSDL and CDSL. The connectivity with NSDL and CDSL is established through the RTA. As on March 31, 2021, 6,58,78,916 nos of equity shares (99.80% of the shares), existed in dematerialised form. The Company's shares are liquid and are actively traded in both NSE and BSE.

6.22 Outstanding GDR/ADR/Convertible warrants, conversion date and impact on equity

The Company has not issued any GDR / ADR. The Company has granted stock options to the eligible employees of the Company under Employees Stock Option Scheme, 2006. The details of the scheme are set out under annexure to Report of Directors.

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6.23 Location

The Company is in the business of Non Banking Finance and operates through various offices in India with registered office at Chennai.

6.24 Address for correspondence

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

Secretarial Office :144, Santhome High Road, Mylapore, Chennai 600 004. Ph : +91 44 4392 5300 Fax No : +91 44 4392 5430 Email : sect@shriramcity.in

6.25 Calendar for the financial Year 2021 – 2022 (tentative)

Annual General Meeting	September, 2022
Unaudited results for the quarter ending June 30, 2021	Last week of July, 2021
Unaudited results for the quarter / half –Year ending September 30, 2021	Last week of October, 2021
Unaudited results for the quarter ending December 31, 2021	Last week of January, 2022
Audited results for the Year ending March 31, 2022	Last week of May, 2022

6.26 Adoption of Mandatory and Non Mandatory requirements under LODR

The Company has complied with all mandatory requirements and has also adopted the non mandatory requirements deemed appropriate. The report of the auditors of the Company does not contain any qualification on the financial statements. The posts of Chief Executive Officer ("CEO") and Chairman of the Company are held by two separate persons. The Company does not maintain a separate office for the Non–executive Chairman.

7. COMPLIANCE ON FINANCIAL REPORTING

The Company complies with the requirements of Financial Reporting. The MD & CEO and CFO give annual certification on financial reporting and internal control to the Board in terms of regulation 17(8) read with Part B of Schedule II of the LODR. The said certificate issued for FY21 is attached to this report as Annexure - 4. The CEO & MD and CFO also issue certificate on financial results every quarter, while placing the quarterly financial results before the BM in terms of Regulation 33 (2) (a) of the LODR.

8. COMPLIANCE WITH CORPORATE GOVERNANCE

We have complied with the requirements of Corporate Governance. A certificate from the auditors of the Company, M/s GDA Apte & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated under Part E of Schedule V of the LODR is attached to this report (Annexure No - 2).The certificate is without any adverse remarks, reservation.

9. ELIGIBILITY FOR APPOINTMENT/CONTINUANCE AS A DIRECTOR

Each director has declared to the Company stating that he/she is not disqualified or debarred by the Board / Ministry of Corporate Affairs ("MCA") or any such statutory authority from being appointed as a director on the board of company or to continue as director of company. The Board at its meeting held on June 11, 2020 appointed PSA , Practicing Company Secretary for verification of the disqualification of directors and certify thereon. Pursuant to Schedule V Para C clause (10) (i) of the LODR, the Company has obtained certificate from PSA, Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority (Refer Annexure - 10).

G.D. Apte & Co.
Chartered Accountants

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members Shriram City Union Finance Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 16, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Shriram City Union Finance Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

Opinion

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
8. Based on our examination as above and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For **G. D. Apte & Co.**
Chartered Accountants
Firm Registration Number: 100 515W
UDIN: 21121007AAAACE8729

Anagha M. Nanivadekar
Partner
Membership Number.: 121 007
Pune, April 30, 2021

Management Discussion and Analysis

Annexure 3

GLOBAL ECONOMY

The COVID-19 pandemic ensued global economic downturn is the most severe one since the Global Financial crisis. The lockdowns and social distancing norms brought the already slowing global economy to a standstill. Global economic output estimated to fall by 3.50% in 2020 *(IMF January 2021 estimates)*. Governments and central banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc.

As per World bank report, following a collapse last year caused by the COVID-19 pandemic, global economic output is expected to expand 4% in 2021. Global growth is projected to moderate to 3.80% in 2022, weighed down by the pandemic's lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs). Although aggregate EMDE growth is projected to be around 4.20% in 2021-22, the improvement largely reflects China's expected rebound. Barring China, the recovery across EMDEs is expected to be muted at around 3.50% in 2021-22

(Source: World Bank – Global Economic Outlook 2021).

Outlook

Limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges remain the key immediate policy priorities to make a turn around from the current worldwide crisis. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the projected period as confidence, consumption, and trade gradually improve, supported by ongoing vaccination programme.

INDIAN ECONOMY

The economic fallout of the pandemic led nation-wide lockdown on the Indian economy has been rather severe,with GDP registering 4.20% growth in FY20. With the onset of the pandemic and lockdown restrictions on economic activity, GDP growth for FY21 is estimated to decline by 7.70%. Private consumption is estimated to contract by 9.50% in FY21 owing to demand shrinkage based on income loss, mobility restrictions and supply constraints. Government consumption is estimated to rise by 5.80% due to increased expenditure as part of pandemic relief packages. Although, since the unlocking (June '2020 onwards), there has been a resumption in economic activity, the pace and extent of the same have been wavering. Some parameters have been witnessing progressive, albeit gradual advances, while for some segments, the improvements have been losing steam.

Although business and commercial activity is expected to be higher in the coming months with the resumption of economic activity and optimism surrounding the vaccine, uncertainty abounds on all these fronts. Concerns over the new strain of the virus and associated restrictions might overshadow the optimism of a faster vaccine fuelled economic recovery.

Outlook

In the next financial year (i.e. 2021-22), the domestic economy is projected to register positive growth in the range of around 9 to 11 %, fuelled up by the low-base effect. This number can be lower in case there is any improvement in the negative growth rate of FY21. However, despite the higher growth trajectory, the size of the economy would be around that of 2019-20. With economic activity expected to attain the pre-lockdown levels only gradually amid uncertain prospects, the purported growth trajectory of the nation's economy has been effectively derailed for the next 1-2 years.

INDUSTRY REVIEW

Indian Financial Services Sector

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

Financial inclusion has accelerated since 2014 with the roll-out of Pradhan Mantri Jan-Dhan Yojana, UPI-based digital payments and linkage of Government subsidies to bank accounts, creating growth in the Indian banking sector. The Government decided to consolidate public sector banks (PSBs) with the hope of creating larger banks with greater financial strength, better international competitiveness and ability to support larger lending volumes. Government of India (GOI) has decided to recapitalise the PSBs to the extent of ₹ 20,000 crores.

The insurance industry is at crossroads. While it is among the fastest growing markets in the world, penetration in the same is low and coverage needs to be substantially increased and distribution has to be enhanced. Foreign Direct Investment (FDI) in insurance has been increased to 74% in the current budget. A possible strategic disinvestment of a PSU insurance company and IPO of LIC have been announced by the GOI.

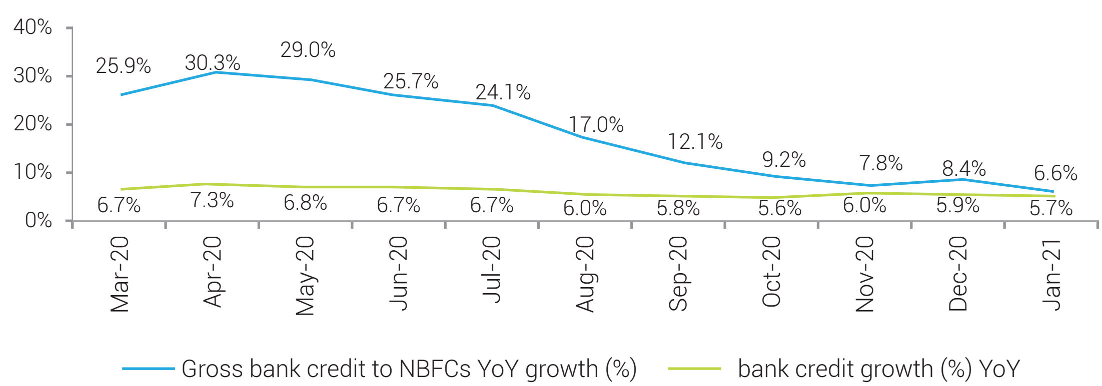
Indian financial services sector scenario in FY21 has been quite different from the past. There is surplus liquidity in the system. Growth in credit is lagging that of deposits and yet there is a tendency for GSec yields to increase not withstanding aggressive measures by the RBI to keep them down. At the same time banks are lowering their lending rates to garner business especially on the retail side. Hence the movement of commercial lending rates and GSecs are not in consonance. During the financial year FY21, the banking system liquidity surplus has widened from ₹ 2.52 lacs crores on March 31, 2020 to ₹ 3.80 lacs crores on March 31, 2021 primarily on account of deposit growth outpacing credit growth and a number of liquidity injection measures (like CRR reduction, OMO purchases) undertaken by the RBI.

(Source: CARE Research and IBEF Report)

Indian Non-Banking Financial Companies (NBFCs)

In the aftermath of NBFC crisis and pandemic, the sources of funds, especially for small and mid-size NBFCs, got affected due to risk aversion of banks, while top rated large NBFCs were able to access funds via multiple sources. As mentioned in the RBI's Financial Stability Report, NBFCs and HFCs continue to be the largest borrowers of funds from the financial system of which a substantial part of funding is done by the banks. Amidst these challenging times, overall exposure of the banks to NBFCs has been increasing. The Commercial Papers (CPs) and Corporate Debt (CDs) deployed together in NBFCs increased in January 2021 and reached at level witnessed in January 2020. Banks' outstanding credit to NBFCs registered a slower growth of 6.60% in January 2021 (as compared with 35.80% in January 2020) largely due to high base effect and investment by banks in NBFCs through various capital market instruments supported by RBI/Government of India. Growth in bank credit to NBFCs has registered a downward trend due to risk aversion in the banking system. However, the same improved to 9.20% in February 2021 indicating ease of fund availability for NBFCs and enhancement in turnaround opportunities.

Figure 2: Growth in bank credit to NBFCs vis-a-vis overall bank credit growth



Outlook

A year into the post COVID-19 world, the sector expected to get relief through privatisation and recapitalisation of PSBs, simplification of governance reforms, easing of credit access norms and a boost to digitisation.

INDIAN MSME SEGMENT

The Micro, Small and Medium Enterprises (MSMEs) sector is a major contributor to the socio-economic development of the country. In India, the sector has gained significant importance due to its contribution to Gross Domestic Product (GDP) of the country and exports. India has approximately 6.30 crores MSMEs. The number of registered MSMEs grew 18.50% Y-o-Y to reach 25.13 lacs (2.50 lacs) units in 2020 from 21.21 lacs (2.10 lacs) units in 2019. The Indian MSMEs sector contributes about 29% towards the GDP through its national and international trade.

The sector has been rendered vulnerable by the pandemic necessitating concerted effects to combat the stress and focus on the revival of the sector. Reserve Bank of India (RBI) made crucial interventions to support the economy's critical sector. Budget Outlay to the MSME sector doubled to ₹ 15,700 crores in the Budget of 2021. Also, the changes in customs duty in current year budget will provide a level playing field to MSMEs and aid in attaining global competitiveness.

MSMEs are being encouraged to market their products on the e-commerce site, especially through Government e-Marketplace (GeM), owned and run by the government, where from Ministries and PSUs (public sector undertakings) source their procurement. The platform has recorded transactions worth ₹ 55,048 crores (USD 7.50 lacs) until September 2020.

Increasing digital payment and digital penetration across the country has the potential to raise the productivity of agriculture, manufacturing and businesses as well as improve the delivery of public services like healthcare and education. In the financial sector this could lead to higher financial inclusion, lesser information asymmetry and reduced credit risk. Measures on credit access, digital adoption and reskilling would be critical to support MSMEs, which were amongst the worst hit during the pandemic.

Outlook

The Government of India has envisioned to double the Indian economy to USD 5 trillion in five years. In order to achieve this goal, career opportunities for the young population has to be generated and MSMEs have the potential to serve as a key employment generator. Therefore, the government has taken up promotion of MSMEs in order to create new jobs in the sector. Further, the government aims to enhance MSME's share in exports and its contribution to GDP.

In order to achieve these targets, the government should invest in providing more back-end services to improve performance of the MSME sector. Lack of technology-based production activities and low investment in R&D activities are bottlenecks hindering the sector to become competent. Globally available technology could be subsidised by the government so that the product quality of MSME players can be improved using the existing resources. This also requires the help of academic institutions in the form of providing research and development (R&D) services for product innovation.

Role of NBFCs in MSME Financing

Providing reliable access to efficient formal credit to MSMEs has long been challenging due to

(i) inadequate formal data for credit assessment in case of informal, micro SMEs,

(ii) lack of tailormade products to suit the borrower and lender risk profiles/appetite,

(iii) long turn-around times for granting loans, and

(iv) the requirement of collateral, guarantees, etc. required by most traditional lenders.

Over the last decade, NBFCs have been significant credit providers to MSMEs especially at the lower end. Well established regional NBFCs with in-depth knowledge of micro markets and low-cost distribution networks provide access to credit to MSMEs beyond the tier I cities, while focusing on credit underwriting tailored to informal and smaller MSMEs.MSME lending segment has seen maximum disruption through new business models including the evolution of fintech lenders seeking to use innovative approaches to credit underwriting and offering innovative products with a lower turn-around time. NBFCs serve MSMEs through

(i) differentiated credit underwriting approach that takes into account multiple sources of data (formal and informal) in the absence of credit ratings/formal data, seasonality of cashflows, industry and cluster risks, as well as a 360-degree view of the borrower,

(ii) designing product offerings that are best suited to their target segments keeping in mind the customers working capital cycle/cash flow requirements,

(iii) reduced turn-around times from credit appraisal to disbursement through standardised processes and use of technology.

The NBFCs' difference in approach to underwriting MSME credit has been made possible by their focus or specialisation in MSME-lending by sector, geography, client segment, or a combination of these factors and their calibrated operations and streamlined distribution networks designed to best serve their customers.

(Source: The Economic Times)

Role of NBFCs in Automobile Loans Financing

NBFCs take exposure to wholesale as well as to retail sectors. The retail loan book exposure of the NBFCs consist of vehicle financing, housing loans and microfinance whilst the wholesale portfolio exposure includes infrastructure loans and structured credit products, among others. NBFCs take enormous exposure to vehicle financing. Around 85% of the total vehicle financing exposure of NBFCs is from commercial vehicles (CVs) and passenger car/utility Vehicles (UVs) financing. Balance include tractor/two/three wheeler financing.

The automotive sector that was already grappling with fall in consumer demand in FY20, was further affected by the ongoing pandemic in FY21. Due to the pandemic, the first half of FY21 saw a sales decline of close to 38% due to a combination of supply and demand disruption. However, the market has since shown green shoots of recovery, with high growth in second half year of FY21. Segments like tractors, passenger vehicles and two-wheelers showed an impressive recovery on a sequential basis in FY21. Demand for automobiles in FY22 will depend on how quickly the economy progresses and lifts consumer incomes.

Medium and Heavy Commercial Vehicles (MHCVs) segment is expected to be the last segment to recover as its performance is directly proportional to the pick-up in country's infrastructural and mining activities. Light commercial vehicles are expected to perform better than MHCVs with sustained demand from the E-commerce sector and increase in freight movement. Within the three wheelers industry, the passenger carrier segment will continue to be under pressure due to the prevailing social distancing norms, while the goods carrier segment is expected to augur well. The demand for tractors is expected to continue staying strong, owing to a resilient rural economy.

The voluntary vehicle scrappage policy along with mandatory vehicle fitness tests is expected to boost personal and commercial vehicle demand. The customs duty rate has been increased on certain auto parts (such as ignition wiring sets, safety glass, parts of signalling equipment) being in line with the Government's Aatmanirbhar Bharat initiative to promote localisation in auto spare parts manufacturing.

The emphasis on credit availability will support demand recovery in the sector. The continued focus on building rural and agricultural infrastructure and prioritising agriculture credit growth will have a long-term positive impact on the rural demand for passenger, small and light commercial vehicles.

(Source: CARE Research)

Role of NBFCs in Gold Loans Financing

Gold is treated as a very important asset among the Indians and is considered being a representative of financial security, social status and cultural legacy. In India, due to emotional value associated with gold jewellery, people pledge the same as collateral instead of selling it and secure gold loans. The organised gold loan market in India comprises of banks, NBFCs and Nidhi companies. However, gold loan NBFCs have consistently increased their market share through aggressive investments in branding, promotion and geographical expansion. These NBFCs hold competitive edge over banks and other financiers through faster loan processing, accurate gold evaluation, safekeeping and auctions of gold. With this, the NBFCs are well poised to increase their loan book size going forward with the demand increase among customers driven by higher economic activity throughout the country post 'unlock' phases.

(Source: KPMG Report)

Role of NBFCs in Housing loans

NBFCs remained the biggest engines for the housing finance growth drive in the country since last one decade. They are the largest borrowers of funds from the financial system. Housing Finance Companies (HFCs) in FY21 might witness a growth of 10-12% on the back of Governments push on affordable housing, new business strategies like co-lending with banks and leveraging loan securitisation. However, asset quality in the wholesale books remains to be a key concern which might adversely impact provisions and profitability thereon.

The wide differential among NBFCs' funding costs is likely to push the sector to consolidate, especially in the sectors with a thin margin profile and limited product differentiation, while the strong regulatory support in FY21 ensured adequate liquidity. Going forward, the NBFCs will also look at taking advantage of the co-lending opportunities presented by regulations and try to earn fee incomes from the stream.

Management Discussion and Analysis
Annexure 3 (Contd.)

PERSONAL LOAN

Personal loan availment from NBFCs has gained momentum in last few years due to their ease of availability and also due to change in the behavioural consumption pattern among people. With the advent of newer technological platforms and ease of credit norms to avail personal loans, increasing number of people are showing affinity to avail the same. Personal loans, which are typically consumption loans borrowed without any security to meet expenses, have witnessed a 23% year-on-year rise in the number of women borrowers in the first nine months of 2020-21 (FY21) (till December 2020).

(Source: CRIF High Mark Report)

COMPANY REVIEW

Incorporated in 1986, Shriram City Union Finance Limited ('Company') has grown to be one of the leading NBFCs in the retail finance industry, providing timely borrowings to its customers and delivering value to its stakeholders. With its pan India presence of 926 branches, it has developed AUM of ₹ 29,571 crores in FY21. The Company's product portfolio encompasses providing borrowings to small scale business owners; lending for purchasing two wheelers, commercial vehicles, passenger cars, loan gold, personal loan, loan against property and Pre-owned Two Wheelers loans.

Asset Under Management as on March 31 (₹ in crores)

₹ in crores

2019	2020	2021
29,582	29,085	29,571

Product wise performance review (₹ in crores)

₹ in crores

Loan Type	Disbursement in 2020-21	AUM in 2020-21
MSMEs	3,241	15,070
Two-wheelers	5,134	6,884
Gold Loans	5,927	3,789
Personal Loan	1,493	2,007
Auto Loan	257	546
Pre-owned Two Wheelers	913	1,087
Loan Against Property	189	188
Total	**17,154**	**29,571**

Key highlights in 2020-21

- Driven growth through strong demand pull from the MSME loan and the two wheeler loan segments
- Achieved strong financial growth through higher NIM (Net Interest Margin) of 12.29% and stronger loan yields of 19.57%
- Raised longer tenure resources through fresh long-term borrowings
- Reinstated credit fundamentals through strong credit ratings received from multiple credit rating agencies
- Improved collection efficiency and asset quality through state-of-the-art coverage network and distribution systems
- Strong focus on technology platforms to leverage the opportunities emanating from digital based lending trends.

Key Financial Ratios

Key Ratios-IND AS	Year Ended FY20	Year Ended FY21
Return on Average Total Assets (Annualised)	3.31%	3.10%
Return on Average Net Worth (Annualised)	14.71%	13.19%
Earnings per share (₹) (Basic)	151.60	153.16
Book value per share (₹)	1,092	1,230
Capital Adequacy Ratio (CAR)	27.69%	28.64%
Interest Coverage Ratio	1.63	1.65
Debt-Equity Ratio	3.21	3.15

OPPORTUNITIES AND THREATS

Opportunities

- Leverage the strong parentage of being one of the largest financial conglomerates in India
- Brand equity to garner higher acceptability among the underprivileged section of the society
- Higher and ever-increasing government regulations and tightening of norms to restrict competition and deter entry of unorganised players, thus benefiting the leaders in the industry
- Increasing geographical reach and higher customer base creating opportunity to penetrate further into the hinterland
- Increasing disposable income, change in consumption pattern and shift in mindset to spend bringing in higher demand for consumer loans
- With government's initiatives to increase spend in the MSME segment to increase start-up businesses and thus demand for MSME loans

Threats

- Increasing competition from the global and local competitors in terms of product development and technology innovations leaving very thin margin of errors
- Regulatory and compliance related changes in the sector affecting NBFCs
- Growing commoditization of the financial products remain the toughest challenge for the Company.

HUMAN RESOURCES

Amidst today's evolving socio-economic changes, attracting the best talents from the industry, maintaining their highest productivity level through continuous skill building exercises and retaining them in the organisation plays a pivotal role to the success of any company where human capitals are the most coveted assets.

The company provides object-oriented trainings to our workforce and encourages them to attain newer skill sets through embracing newer technologies that transpires to give benefits in the long run and ensure sustainability of the business. Dedicated HR function generates employee strategies to make best in class working environment through innovative learning process, skill developing seminars and training sessions and adapts the cross-cultural workforce to the rapidly changing business environment.

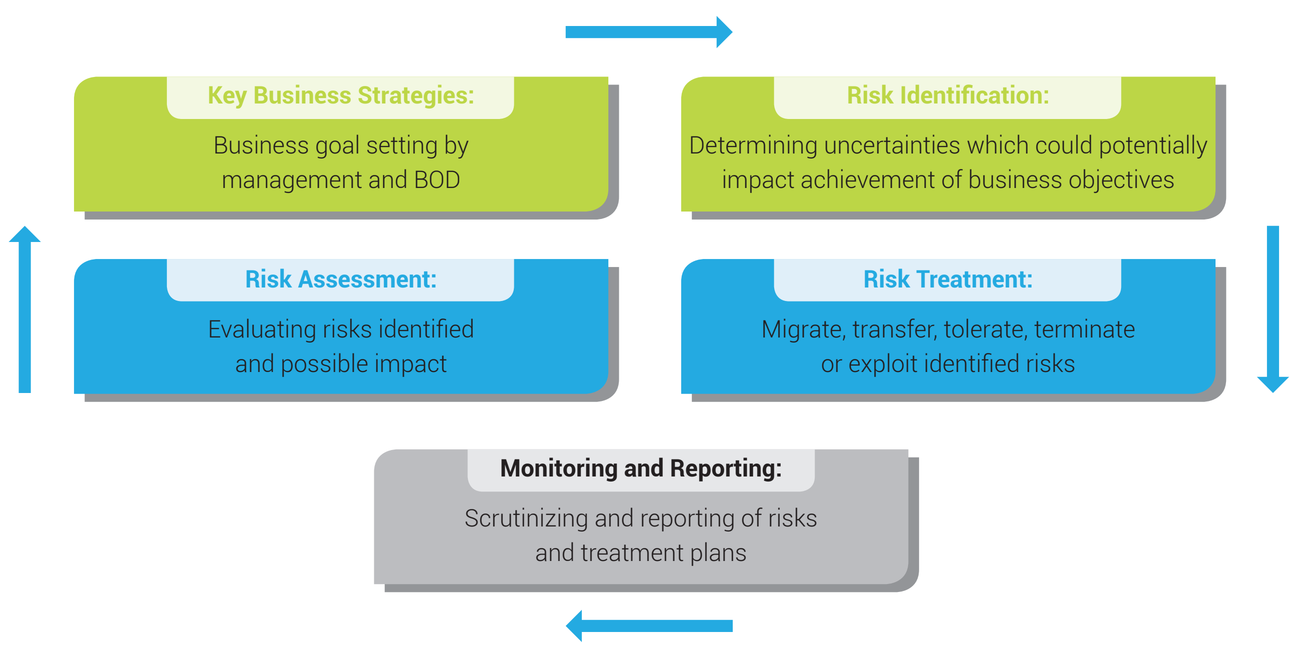
All employees across the levels are encouraged to maintain the highest standards of integrity, honesty and ever-learning attitudes. The company maintains cordial relationship with its employees, provides equal opportunities and implements policies on prevention of sexual harassments of women workforce on the job. Total number of employees as on March 31, 2021 was 24,963.

RISK MANAGEMENT

Risk management remains an integral part of the Company's business DNA over the years. The Company, being engaged in the retail lending business, has to face and manage different risks throughout its business spectrum such as credit risk, market risk, operational risks etc. The Company manages risks through its robust risk management framework and prudent de-risking policies approved by the Risk Management Committee and the Members of the Board. The Risk Management Committee regularly analyse, assess and manage risks through proper implementation and proactive monitoring of risk policies on a continuous basis encompassing every strata of the organization. The Risk Management Committee has identified and categorised the major risk classes encompassing credit, market, legal and regulatory, operational, liquidity, interest rate, cyber security and information technology risks among other significant risks.

Risk management framework:

RISK FRAMEWORK COMPRISES OF :



Credit Risk

Credit risk is the risk of default on a loan that may arise from a borrower failing to make required payments on time. This risk could also lead to loss of interest revenue, disruption to cash flows, and increased collection costs. With more than three decades of experience, the Company continues to manage the credit risk with its established risk policies and robust demonstrated risk mitigation model.

The Company has adopted extensive range of credit risk management policies, procedures and controls, as given under:

- Stated credit policies, guidelines and methods throughout all business functions and encompassing entire product portfolio
- Robust credit appraisal process for all business segments simultaneously putting in place commensurate risk mitigation practices
- Underwriting of borrowed capital keeping in mind the inherent cash flows of the customers and taking effective inputs from credit bureaus information reports
- Regular stress testing and scenario analysis of the entire credit portfolio to implement corrective actions
- Mandated use of defined credit ratings from established credit rating agencies to make portfolio investments decisions with systematic tracking of the portfolio
- Appropriate risk exposures taken through rigorous analysis of the counterparty fundamentals, industry and sectoral risks
- Portfolio risk concentration managed through implementation of prudent allocation strategies amongst different asset classes, industry sectors, geographical regions, single liability and joint liability groups.

Market Risk

Market risk for the Company emanates from the risk arising out of sudden adverse movements in the equity share prices, interest rates, credit spreads, foreign exchange rates, commodity prices etc.

The Company has adopted extensive range of market risk management policies, procedures and controls, as given under:

- The Asset Liability Management Committee (ALCO) frequently monitors the market movements, government policy decisions, changes in regulatory scenario affecting the NBFC space and tweaks the strategies and operationalise them in prudent and timely manner
- Well-organised Market Risk Management System is in place to proactively monitor the market risks and accordingly de-risk the loan book portfolio
- Impact generated from sudden market shocks were simulated periodically through rigorous stress testing of the portfolio across asset classes.

Operational Risk

Operational risks are the risks arising from inadequate or failed internal processes, people and systems or from external events. Such failures can have significant impact on the business operations and financial position and can impact the long-term well being of the Company. These risks are efficiently addressed through implementation of the comprehensive Operational Risk Management Framework. This framework identifies the risks, analyses it, takes corrective actions in timely manner and continuously monitors the risk progression. A stable and experienced management team provides much needed continuity and expertise in managing the dynamic changes in the market environment. Process improvements and quality control are on-going activities.

The Company has adopted extensive range of operational risk management policies, procedures and controls, as given under:

- Operational risk control strategies and procedures to evaluate, monitor, review and report to management for robust controls and minimal losses
- State-of-the-art corporate governance practices, Code of Conduct, corporate ethos and organisation-wide approach for risk management are the pillars for mitigating operational risks
- Need based systematic reviews and updating of the internal controls and systems
- Systematic skill development programs and seminars to ensure organisation-wide standard and homogeneous potent workforce
- Structured standard operating procedures to ensure improved governance over transactions, portfolio assessment and regulatory compliance
- Risk oriented audit procedure performed at systematic intervals across all departments to reduce enterprise risk exposure
- Regular stress testing and audits of the Brief Disaster Recovery (DR) plan and Business Continuity Plan (BCP) done to assess the preparedness of the Company to contingencies

- DR and BCP ensures long term sustainability of the organisation synchronising the deliverables as confronted with sudden adverse events
- Existence of contingency plan to ensure data security and data recovery in case any 'force majeure' contingency.

Interest Rate Risk

The risk emanating from the financial loss occurred in view of adverse movements in the interest rates for both lending and treasury operations is called interest rate risk. Significant adverse movements in interest rates can deteriorate the net interest income and affect profitability negatively.

The Company has adopted extensive range of interest risk management policies, procedures and controls, as given under:

- Extensive policies and procedures put in place to put the assets and liabilities exposure within the stipulated regulatory guidelines
- Rate-sensitive asset-liability maturity analysis performed to assess correlation of the loan book maturity profiles to interest rate fluctuations
- Interest spreads set through categorising entire gamut of assets and liabilities into several time-periods synchronising them with contracted maturities or anticipated re-pricing dates; the difference between assets and liabilities maturity or it being repriced at any time period indicates the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Liquidity Risk

Liquidity is the ability to meet liabilities as they become due. Liquidity can have significant impact on profitability in any adverse situation. Management of assets and liabilities largely depend upon the interest rates, liquidity and respective risk profiles. Measuring and managing interest risks and liquidity risks play pivotal role in maintain capital adequacy. Liquidity is tracked through maturity or cash flow mismatches.

The Company has adopted extensive range of liquidity risk management policies, procedures and controls, as given under:

- Liquidity management performed in sync with the Asset Liability Management ('ALM') policies and operating procedures
- The Asset Liability Committee (ALCO) comprising the Board of Directors of the Company to review the different liquidity positions (Structural and dynamic) of the Company regularly through different scenario analysis
- Creation of maturity ladder and use of cumulative surplus/deficit of funds calculation technique on any specific maturity date standardise determination of liquidity risk
- Contingency plans put in place for liquidity management in case of contingencies
- Proactive monitoring of the capital adequacy and asset exposure levels to assess potential funding requirements
- Varied source funding including borrowings from banks, financial institutions, capital markets and public (fixed) deposits to facilitate flexibility in meeting funding requirements
- Systematic Cash Management and asset-liability management training programs to solidify Company's financial position in the long run.

Cyber Security Risk

Cyber security risks have increasingly become eminent in today's remote working environment during Covid-19 pandemic and the management at SCUF is dedicated to minimize any such threats that can bring in any significant adverse impact on the growth potential of the organisation. By establishment to a secure information technology network and cybersecurity framework, the Company ensures a safeguarded business environment for all its stakeholders throughout the organisation. To act as a counter measure against cyber-attacks and protect critical assets, the Company has formed a Security Operations Centre (SoC) that works on real-time 24x7 basis. The Company has adopted extensive range of cyber security risk management policies, procedures and controls, as summarised below:

- Systematic investments are made in technology, processes enhancements and on hiring cybersecurity professionals to ensure highest standards of preparedness against any cybersecurity threat
- Established security framework, policies and procedures aligned with best-in-class industry standards to protect information across all strata of the organisation
- All-inclusive security training programs and workshops to increase employee / interested parties' awareness on cyberattack incidents such as malware, phishing, ransomware, spoofing etc.
- Implementation of ISO 27001 certification for Information Security Management System framing policies and procedures on IT framework and covering all IT processes

Management Discussion and Analysis
Annexure 3 (Contd.)

- Email Threat Prevention (ETP) services to quarantine detected e-mail threats in advance
- Recurrent evaluation and penetration tests performed to assess vulnerabilities in the IT infrastructure and network
- Continuously scrutinised fraud protection measures for authentication of risk-based transactions
- An all-encompassing cyber security approach is in place to manage information security threats involving communication, documentation, evidence collection & closure of security events so as to provide SCUF an efficient way to respond to all cyber security threat incidents to minimize impact.

Information Technology Risk

In today's dynamic business environment, technology platforms support the entire gamut of any vibrant business functions. This has increased importance of information technology infrastructure and adaptability of any organisation to rapidly changing technological advancements and frameworks to manifold.

The Company has adopted extensive range of information technology risk management policies, procedures and controls, as summarised below:

- Systematic security drills and employee awareness programs are conducted to ensure enhanced security awareness throughout the organisation
- Security Operations Centre (SoC) secures the IT infrastructure and network architecture on 24x7 basis by assessing and monitoring any type of attacks and potential threats. It has following attributes:
    - Identifies security threats from inside as well as outside the organization leading to stricter reporting and control
    - Conducts Disaster Recovery Drills in systematic manner to achieve better Recovery Point Objective (RPO) and Recovery Time Objective (RTO)
    - Rigorous security tests and evaluations done prior to launching any application to assure zero prospective loss to the customers or the organization.
- To improve the control checkpoints, vulnerability assessment and penetration testing are regularly done through internal resources and external experts
- Presence of contingency plan ensures availability of the crucial business functions to customers even though one functional section is entirely non-functional
- A time tested and efficient Business Continuity Plan (BCP) is in place to ensure continuity of business operation on any crisis situations such as 'Covid-19' pandemic
- As per the regulatory compliance norms, privacy policy is followed to safeguard customers' personal information and usage.

In today's challenging environment amidst Covid-19 pandemic every organisation has to fight the pandemic with rigorous efforts which has brought various risk associated to it. Covid-19 pandemic has contributed to all of the above-mentioned risks in one or several ways. Management at SCUF is dedicated to manage all those risks and restrict their impact to minimal level. Through robust implementation of risk policies and framework, varied types of risks are identified and mitigated through operationalization of prudent measures, checks and controls throughout all facets of the organisation.

INTERNAL AUDIT

The Audit Committee and the Risk Management Committee encompassing members from the Board of Directors appraises performance of the Internal Audit function of the Company which helps to effectively control and adhere to the regulatory compliance guidelines laid out by the government depicting highest standards of corporate governance followed in the Company.

The Internal Control System of the Company is proportionate to its size, scale, nature and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework through execution of annual internal audit plan. The Internal audit department carries out specific assessments laid by the management under existing regulations to monitor adequacy, efficacy and adherence to the internal controls, processes and procedures. This helps in conservation of Company's assets.

The Company adopts Risk-based approach of Internal Audit (RBIA). The vital focus of this system is to focus on key risk areas of importance with main emphasis on risks that has extensive impact.

The Internal Audit department reports to the Audit Committee for Audit Planning & Reporting. The relevant audit reports are circulated to the management teams and the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Company has in place an effective internal control system to synchronize its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance.The Company ensures that a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company. This confirms orderly and effective conduct of its business, including adherence to the Company's policies, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

The Management periodically reviews the framework, efficacy and operating effectiveness of the Internal Financial Controls of the Company, broadly in accordance with the criteria established under the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

Compliance Certificate by CEO / CFO

Annexure 4

To

The Board of Directors

Shriram City Union Finance Limited

Chennai

We, Y S Chakravarti, Managing Director and Chief Executive Officer and Sri Ramasubramanian Chandrasekar, Chief Financial Officer of M/s Shriram City Union Finance Limited ("Company") pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of our knowledge and belief, certify that

(i) we have reviewed the Balance Sheet as at March 31, 2021 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same date and the notes thereto (together known as financial statements).

(ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.

(iii) these financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(v) we accept responsibility for establishing and maintaining internal controls for financial reporting of the Company.

(vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

(vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit and Risk Management Committee.

(viii) we have indicated to the auditors of the Company and the Audit and Risk Management Committee that there were

a) no significant changes in internal control over financial reporting during the year covered by this report;

b) no significant changes in accounting policy has been made during the year covered by this report;

c) no significant instances of fraud detected during the year except the frauds reported in Notes to Accounts.

Yalamati Srinivasa Chakravarti
Managing Director and Chief Executive Officer
DIN - 00052308

Ramasubramanian Chandrasekar
Chief Financial Officer

Place : Chennai
Date : April 30, 2021

Form No. AOC - 2

Annexure 5

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	Not applicable
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl. No.	Particulars	Remarks
a)	Name (s) of the related party and nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/ arrangements/ transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Date(s) of approval by the Board	Not applicable
f)	Amount paid as advances, if any	-

Annexure 6

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2021.

PARTICULARS			SCUF Employees Stock Option Scheme, 2006
Date of shareholder's approval			October 30, 2006
a)	Options Granted		13,55,000 equity shares of ₹ 10/- each
	Vesting requirements		Options granted shall be vested after the period of one year from the date of grant
b)	Exercise price		₹ 35/- per option
	Maximum term of options granted		Options granted can be vested after the gap of a one Year and the vested options can be exercised within a period 10 Years
Source of shares			Primary
c)	Options vested		13,55,000
d)	Options exercised		13,44,140
	Number of options outstanding at the beginning of the period		12,960
	Number of options granted during the Year		-
	Number of options forfeited / lapsed during the Year		-
	Number of options vested during the Year		2,100
	Number of options exercised during the Year		2,100
e)	Number of shares arising as a result of exercise of option		
f)	Options lapsed		-
g)	Variation of terms of options		-
h)	Money realised by exercise of options		₹ 73,500
	Number of options outstanding at the end of the Year		₹ 10,860
	Number of options exercisable at the end of the Year		-
i)	Total number of options in force		-
j)	Employee wise details of options granted to:		
	i)	Senior Management Personnel	-
	ii)	Any other employee who receives a grant of option amounting to 5% or more of option granted	-
	iii)	identified employees who were granted option equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-

Annexure 6 (Contd.)

PARTICULARS			SCUF Employees Stock Option Scheme, 2006
k)	Diluted earnings per share (EPS) pursuant to issue of Shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'		₹ 152.81
	i)	Method of calculation of employee compensation cost	Intrinsic value method
	ii)	Difference between the employee compensation cost so calculated at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options	Fair Value method (Using Black Scholes Model): ₹ 30.82 crores Intrinsic Value method: ₹ 30.69 crores Difference in cost : ₹ 0.13 crores
	iii)	The impact of this difference on profits and on EPS of the Company	Fair Value method - (Using Black Scholes Model) Intrinsic Value method - Impact on Profit - Impact on Diluted EPS -
l)	Weighted average exercise price		₹ 35.00
	Weighted average fair value		₹ 227.42
m)	Fair value of options based on Black Scholes methodology		
	Assumption risk free rate		7.67%
	Expected life of options (in Years)		5
	Expected volatility (based on Monthly Volatility of the Company's stock price on the NSE)		55.36%
	Expected Dividends per share		₹ 3.00
	Closing market price of share at NSE on date of option granted		₹ 261.45

Annexure 7

G.D. Apte & Co.

Chartered Accountants

The Members,

Shriram City Union Finance Limited

This is to certify that the 'SCUF Employees Stock Options Scheme 2006' ("the 2006 ESOP scheme") and 'SCUF Employees Stock Options Scheme 2013' ("the 2013 ESOP scheme") of Shriram City Union Finance Limited (CIN – L65191TN1986PLC012840), has been implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution passed by the Company at its Extraordinary General Meeting held on October 30, 2006 and May 31, 2013 wherein the aforesaid 2006 ESOP scheme and 2013 ESOP scheme were approved by the shareholders respectively.

This Certificate is issued under Regulation 13 of the Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W
UDIN: 21121007AAAACD9059

Anagha M Nanivadekar
Partner
Membership Number.: 121 007
Pune, April 30, 2021

Annexure 8

DISCLOSURE UNDER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The remuneration of Sri Ramasubramanian Chandrasekar, Chief Financial Officer ("CFO") and Sri C R Dash, Company Secretary ("CS") during Financial Year 2020-21 ("FY21") was ₹ 0.54 crores and ₹ 0.56 crores respectively. There was an decrease of 3.91% in the remuneration of Sri Ramasubramanian Chandrasekar, CFO and no increase in the remuneration of Sri C R Dash, CS during FY21.

The percentage increase in the median remuneration of employees in FY21 was 2.68% (FY20 : 6%)

The total number of employees on the rolls of the Company as on March 31, 2021 was 24,963 (March 31, 2020 : 28,699).

The average percentile increase in salaries of employees of the Company other than key managerial personnel in FY21 was 4%. Average decrease in key managerial remuneration was 9%. There were no exceptional circumstances for increase in the managerial remuneration.

INFORMATION AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employees in receipt of remuneration of not less than ₹ 1.02 crores per annum

Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
NIL									

Annexure 8 (Contd.)

Top 10 Employees in terms of remuneration drawn

Sl. No.	Name of the employee	Designation	Remuneration* (₹ in crores)	Nature of employment, whether contractual or otherwise	Qualifications	Experience (in Years)	Date of commencement of employment	Age (in Years)	Last employment held before joining the Company	Relationship with Director/ Manager of the Company
1	Ramachandran Nair	President	0.87	Permanent	BA, PGDBM	27	March 12, 2010	52	Fullerton India Credit Co Limited	No
2	Siddhartha Pakrasi	President	0.86	Permanent	B.Com, PGDM	24	June 27, 2011	47	Hong Kong and Shanghai Banking Corporation	No
3	Lakshmi Narasimhan V	Executive Director*	0.74	Permanent	A.C.S, PGDBA	31	April 2, 2015	59	Magma Fincorp	No
4	Monika Kapoor	Senior Vice President	0.70	Permanent	B.Com, LLB, MBA	17	May 7, 2018	46	Capital First	No
5	Y S Chakravarti	Managing Director & Chief Executive Officer	0.64	Permanent	B.COM	29	June 17, 1991	57	Shriram Group	No
6	Parikshit Kapoor	Senior Vice President	0.63	Permanent	MBA	18	February 14, 2017	42	ICICI Bank Limited	No
7	Vijayaraghavan T	Executive Director*	0.62	Permanent	CS,CA, ICWA	42	October 6, 2006	67	MD Victory Laminations Limited	No
8	Swapneel Patil	Senior Vice President	0.58	Permanent	B.E, MMS	23	March 25, 2013	47	Fullerton India Credit Co Limited	No
9	Srinivas K	Executive Director*	0.57	Permanent	MBA	29	May 5, 1992	55	Shriram Group	No
10	Chitta Ranjan Dash	President And Company Secretary	0.56	Permanent	B.COM,CS,CA	32	April 16, 2009	57	Prithvi Information Solutions	No

* Not a member of the Board.

Annual Report on CSR Activities

Annexure 9

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. –**

   Shriram City Union Finance Limited ("Company") has formulated its Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

   The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013,CSR Policy ,scalability and other related matters .The CSR projects of the Company during the financial year 2020-21 were undertaken on education ,skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

2. **The Composition of the CSR Committee**

S No	Name of the Director	DIN	Type of Director	Position
i	Smt Maya S Sinha	03056226	NE, I	Chairperson
ii	Sri Debendranath Sarangi	01408349	NE, I	Member
iii	Sri Yalamati Srinivasa Chakravarti	00052308	E, NI	Member

Executive ("E"), Non Executive ("NE"), Non Independent ("NI"), Independent ("I")

3. **Average net profit of the Company for last three financial years : ₹ 1,308.66 crores**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 26.17 crores**

5. **(a) Details of CSR spent during the financial year 2020-21 : ₹ 21.95 crores**

   (b) Total amount to be spent for the financial year : ₹ 26.17 crores

   (c) Amount unspent if any : ₹ 4.22 crores

   (d) Manner in which the amount spent during the financial year is detailed below

(Amount ₹ in crores)

Sl. No	Name of the Program (s)	Name of Project	Location	Amount Proposed to be spent	Amount Spent during the year	Date of commencement	Purpose	% of progress
1	Shriram Matriculation School, Tiruneermalai- Shriram Foundation	Education Skill Development and Livelihood	Tiruneermalai, Chennai, Tamil Nadu	0.80	0.85	Apr-19	Infrastructure, teacher training and student activities	Ongoing
2	Mission 25- Shriram Foundation		Krishna District, Andhra Pradesh	0.30		Apr-19	Infrastructure, teacher training and student activities	Ongoing
3	Two wheeler mechanic program- Pratham Education Foundation	Education Skill Development and Livelihood	Multiple locations in UP, Chattisgarh and Telengana	0.65	0.80	Apr-19	Two Wheeler Training Program, Hospitality & Health Care sectors for 1500 underprivileged youth from Tamil Nadu, Telangana & all over India.	Ongoing
4	Chennai Mathematical Institute		Tamil Nadu	4.00	4.00	Apr-19	Corpus fund	

Annual Report on CSR Activities
Annexure 9 (Contd.)

Sl. No	Name of the Program (s)	Name of Project	Location	Amount Proposed to be spent	Amount Spent during the year	Date of commencement	Purpose	% of progress
5	South India Club	Art and Culture	New Delhi	11.30	8.30	Apr-19	Support for Art and Culture	Ongoing
6	Promoting Education-Swami Vivekananda Rural Development Society	Single Teachers School	Rural Tamilnadu	1.00	2.00	Nov-19	Promoting Education, Stopping school drop outs	
7	Ramkrishna Mission Students Home	Promoting Education	Tamil Nadu	1.00	1.00	Dec-20	Promotion of education	
8	M R Educational And Social Trust	Promoting Education	Tamil Nadu	3.00	3.00	Mar-21	Promotion of education	
9	Dr V Krishnamurthy Educational Foundation	Promoting Education	Tamil Nadu	2.00	2.00	Jan-21	Promotion of education	
	Total			**24.05**	**21.95**			

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company had spent ₹ 21.95 crores during the year ended March 31, 2021 (March 2020 ₹ 11.75 crores). There was a short spending to the tune of ₹ 4.22 crores during the financial year as the Company could not finish up the projects due to non-availability of the required skill and manpower with the Company.

We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director

Place : Chennai
Date : April 30, 2021

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR COMMENCING ON OR AFTER APRIL 1, 2020

1. Brief outline on CSR Policy of the Company

Shriram City Union Finance Limited ("Company") formulated a policy named "Corporate Social Responsibility ("CSR") Policy in line with Section 135 of the Companies Act 2013 ("CA13"), Schedule VII to CA13 and Companies (Corporate Social Responsibility Policy) Rules 2014. The Company's CSR Projects/Activities are carried on by the Company directly or through implementing agency as approved from time to time by the CSR Committee in accordance with CSR policy of the Company.

The CSR spend is planned in advance keeping in view the amount specified under the Companies Act 2013,CSR Policy ,scalability and other related matters .The CSR projects of the Company during the financial year 2020-21 were undertaken on education ,skill development, livelihood, art and culture. The Company is open to join hands with other implementing agencies for optimal use of resources and skill. The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

2. Composition of CSR Committee

S No	Name of the Director/ Designation	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Smt Maya S Sinha, Chairperson	NE, I	3	3
ii	Sri Debendranath Sarangi, Member	NE, I	3	3
iii	Sri Yalamati Srinivasa Chakravarti, Member	E, NI	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:- The CSR policy of the Company continues to be displayed on the website of the Company (refer Table - 1)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY21;

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	FY 20	0.89	NIL
	TOTAL	**0.89**	**NIL**

6. Average net profit of the Company as per section 135(5) - ₹ 1308.66 crores

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 26.17 crores
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil
   (c) Amount required to be set off for the financial year, if any - ₹ 0.89 crores
   (d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
21.95	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	3.33	April 29, 2021			

Annexure II (Contd.)

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in crores)	Amount spent in the current financial Year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crores)	Mode of Implementa tion - Direct (Yes/No).	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	South India Club	Art and Culture	No	New Delhi	New Delhi	7 years	11.30	8.30	3.00	Direct		
2.	Shriram Matriculation School, Tiruneermalai-Shriram Foundation	Education Skill Development and Livelihood	Yes	Chennai	Tiruneermalai		1.18	0.85	0.33	Direct		
3.	Mission - 25		No	Andhra Pradesh	Krishna							
	TOTAL						**12.48**	**9.15**	**3.33**			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Amount spent for the project (in ₹ In crores).**	**Mode of implementati on - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name**	**CSR Registration number.**
1.	Two wheeler mechanic program-Pratham Education Foundation	Education Skill Development and Livelihood	No	UP, Chattisgarh and Telengana	UP, Chattisgarh and Telengana	0.80	No	Pratham Education Foundation	
2.	Chennai Mathematical Institute	Education Skill Development and Livelihood	Yes	Tamil Nadu	Chennai	4.00	Direct		
3.	Single Teachers School - Swami Vivekananda Rural Development Society	Promoting Education	Yes	Tamil Nadu	Chennai	2.00	Direct		
4.	Ramkrishna Mission Students Home	Promoting Education	Yes	Tamil Nadu	Chennai	1.00	Direct		
5.	M R Educational And Social Trust	Promoting Education	Yes	Tamil Nadu	Chennai	3.00	Direct		
6.	Dr V Krishnamurthy Educational Foundation	Promoting Education	Yes	Tamil Nadu	Chennai	2.00	Direct		

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year – ₹ 21.95 crores (8b+8c+8d+8e)

(g) Excess amount for set off, if any - Nil

Annexure II (Contd.)

Sl. No.	Particular	Amount (₹ in crores)
(i)	Two percent of average net profit of the Company as per section 135(5)	26.17
(ii)	Total amount spent for the Financial Year	21.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). - Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. - Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

The Company had spent ₹ 21.95 crores during the year ended March 31, 2021 (March 2020 ₹ 11.75 crores). There was a short spending to the tune of ₹ 4.22 crores during the financial year as the Company could not finish up the projects due to non-availability of the required skill and manpower with the company.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director

Maya S Sinha
DIN – 03056226
Chairperson – CSR Committee

Place : Chennai
Date : April 30, 2021

Annexure 10

DECLARATION ON CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from each of the independent directors namely Sri Debendranath Sarangi, Sri Diwakar B Gandhi, Smt Maya S Sinha, Sri Pranab Prakash Pattanayak and Sri Venkataraman Murali certificate stating his/her independence as required under section 149 (6) of the Companies Act, 2013.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 30, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SHRIRAM CITY UNION FINANCE LIMITED
123, ANGAPPA NAICKEN STREET,
CHENNAI – 600001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shriram City Union Finance Limited having CIN L65191TN1986PLC012840 and having registered office at 123, Angappa Naicken Street, Chennai – 600001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment at Current Designation in the Company
1.	Debendranath Sarangi	01408349	July 28, 2020
2.	Srinivasa Chakravarthy Yalamati	00052308	July 29, 2019
3.	Coimbatore Ramarao Muralidharan	02443277	July 29, 2019
4.	Diwakar Bhagwati Gandhi	00298276	July 29, 2019
5.	Duruvasan Ramachandra	00223052	July 29, 2019
6.	Ignatius Michael Viljoen	08452443	July 31, 2020
7.	Maya Swaminathan Sinha	03056226	July 28, 2020
8.	Pranab Prakash Pattanayak	00506007	July 29, 2019
9.	Shashank Singh	02826978	July 31, 2020
10.	Venkataraman Murali	00730218	July 29, 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SPNP & Associates
Nithya Pasupathy
Certificate of Practice No – 22562
Membership No. - F10601
UDIN : F010601C000213837

Place : Chennai
Date : April 30, 2021

Annexure 11

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and designated senior management employees of the Company affirmation that they have complied with "Code of Conduct for Board Members and Senior Management" ("Code") of the Company during the year ended March 31, 2021.

Yalamati Srinivasa Chakravarti
DIN - 00052308
Managing Director and CEO

Place : Chennai
Date : April 30, 2021

Annexure 12

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

1. Background :

Companies Act 2013 ("CA13") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") require the Nomination and Remuneration Committee of a company to recommend to the Board and the Board to approve a Policy on Appointment, Remuneration and Diversity of Board ("Policy"). Regulations of Reserve Bank of India ("RBI") also requires NBFCs to have a policy on Fit and Proper criteria for appointment of Directors. Accordingly, the Board of Directors ("Board") of M/s Shriram City Union Finance Limited ('Company") has approved this policy considering the recommendation of its Nomination and Remuneration Committee ("NRC").

2. Applicability :

This Policy covers the appointment, remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel of the Company and the performance appraisal of the Directors.

3. Definition :

All terms used in the Policy shall have the same meaning as ascribed to them under CA13, SEBI (LODR).

4. Objectives :

The objective of this policy is to stipulate criteria for

- Appointment, re-appointment, continuance, discontinuance and extension of term of directors KMPs and senior management
- Increase diversity at Board level and to make maximum use of the skills and industry experience of the directors.
- Retain, Promote, motivate and sustain talent in the Company
- Remuneration payable to the Directors, KMP and Senior Management personnel.
- Ensure the remuneration is reasonable, sufficient to attract and retain talents and is proportional to the effort, performance, dedication and achievement relating to the Company's operations of the concerned individual.
- Strike the balance between fixed component and variable incentive of remuneration.

5. Criteria for Appointment :

The appointment shall be based on the following criteria.

- Qualification, technical expertise, track record, and relevant experience for the concerned position
- Age, number of years of service, specialised expertise and period of employment or association with the Company.
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area.
- Constructive and active participation in the affairs of the Company.
- Exercising the responsibilities in a bona fide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks.
- Diversity of the Board keeping in view the skills, qualification, experience in varied fields of finance, banking, administrative etc. of directors in different industry and other related matters.
- Having a valid Director Identification Number in case of a director and having name in the data base of the Indian Institute of Corporate Affairs in case of Independent Directors throughout the tenure in the Company.

Criteria for Remuneration:

The remuneration shall be sufficient based on the criteria of appointment mentioned above and shall be subjected to the limits mentioned below.

POLICY ON APPOINTMENT, REMUNERATION AND DIVERSITY OF BOARD

Category	Remuneration	Remarks
Whole-time Director & Managing Director	Basic Pay, allowances, Perquisites, Retirement benefits, Employee Stock Option Scheme, and reimbursement of expenses incurred in performance of office duties	As approved by the Board/ share holders,subject to the limits prescribed under the CA13.
Director (other than Independent Director)	Reimbursement of reasonable expenses for attending the meetings of Board and Committees, where such director is a member as decided by the Board from time to time.	Sitting Fees are subject to the applicable limits (not exceeding 1 lac per meeting) prescribed under CA13.
Independent Directors	Sitting Fees of ₹ 50,000/- per meeting of the Board, per meeting of each Committee and Reimbursement of reasonable expenses for attending such meetings as decided by the Board from time to time	
Senior Management Personnel/ KMP	Basic Pay, allowances, Perquisites, retirement benefits, Employee Stock Option Scheme reimbursement of expenses incurred in performance of office duties.	As decided by the Managing Director of the Company

The Managing Director shall decide about the remuneration of the executives based on the criteria set, subject to limit fixed under any applicable law at the time of appointment and shall decide about reasonable annual increase keeping in view the prevailing market condition, statutory requirements objectives/criteria and any other factor.

The following matters shall be brought to the attention of the NRC for evaluation and recommendation.

a. Remuneration to any person in excess of Rupees two crore per annum

b. Appointment / remuneration of Directors, KMPs, Senior management personnel.

The maximum remuneration payable to all the Directors/managerial personnel shall be capped as provided under Section 197,198, Schedule V of the Act.

On appointment, the Company shall issue appointment letter.

Process of Evaluation:

The evaluation of the Board, Committee, Director and Chair Person shall be carried out at least once a year. The evaluation of performance of each independent director shall be done by all the directors except the concerned independent director. The evaluation of performance of non-independent directors shall be carried out by the Independent Directors. Independent Directors shall also evaluate the Board as a whole, the Chairperson of the Company, quantity and timeliness of flow of information. The evaluation shall be carried out through an evaluation sheet based on different criteria, i.e. qualification, experience, age, participation, attendance, knowledge, quality of discussion, beneficial contribution etc. The evaluation and the results thereof shall be confidential.

Performance Evaluation of the Board/Committee:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director with scores awarded by him/her and shall be handed over to the Company Secretary. The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by dividing the total score with number of participating directors. Based on the average score, the Board may decide on the necessary improvemental activities to be under taken.

Performance Evaluation of the Directors:

Each director shall be provided with rating sheet on the pre set criteria. The rating sheet shall be filled in by each director for all the directors except himself/herself with necessary details with scores awarded by him/her. The filled in rating sheet shall be handed over to the Company Secretary .The total score given by all the directors participating in the evaluation shall be totalled up and averaged out by diving the total with number of participating directors.

Annexure 12 (Contd.)

Outcome of the Evaluation

The outcome of the evaluation shall be placed before the Board, NRC and before the meeting of Independent Directors.The NRC, Meeting of Independent Directors based on their observation of the awarded scores placed before them, can suggest to the Board for action,if any. Based on the recommendation of relevant Committee and based on its own observation, Board can decide about continuance, discontinuance and extension.

Effect and Revision:

This policy shall come into effect from April 1, 2021 and shall remain in force till amended by the Board with recommendation of the Committee. Any regulatory changes affecting this Policy shall prevail over this Policy.

DIVIDEND DISTRIBUTION POLICY

1. Preamble :

Dividend is the payment made by a company to its shareholders, usually in the form of distribution of its profits. The profits earned by a company can either be retained in business and/or be used for acquisitions, expansion, diversification, business growth or it can be distributed to the shareholders. A company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to balance between these. This Dividend Distribution Policy ("Policy") will guide dividend declaration and its pay-out by the Shriram City Union Finance Limited ("Company") in accordance with the provisions of Companies Act 2013 ("CA13"), Rules thereunder ("Rule") Secretarial Standard ("SS"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and any other applicable rules and regulations. The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all shareholders of the Company. The Board of Directors of the Company ("Board") will refer to the policy for declaring/ recommending dividends. This policy is framed as required under SEBI Circular No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 8, 2016.

2. Applicability and Review :

It shall come into force with effect from April 1, 2021. Any change in applicable law, regulation shall prevail over this Policy. This policy shall be reviewed by the Board periodically for any changes or amendments. The Company has issued only Equity Shares and no Preference shares issued by the Company are outstanding.

3. Definitions :

i. Company : Shriram City Union Finance Limited

ii. Board : Board of Directors of the Company

iii. Current Financial Year : The financial year for which the dividend is declared/ recommended

iv. Dividend : Distribution of any sums to Members out of Profits of the Company and included both interim and final dividend

v. Dividend Pay Out Ratio: The percentage of dividend paid/recommended bears to Profit determined for Dividend purposes.

vi. Interim Dividend: Dividend declared by the Board

vii. Final Dividend: Dividend recommended by the Board and declared by the Members at an Annual General Meeting of the Company.

4. Category of Dividends :

The CA13 provides for two forms of Dividend - Final and Interim.

(i) Interim Dividend

The Board shall have the absolute power to declare interim dividend during a financial year, as and when it considers fit .The Board may endeavor to declare an interim dividend one or more times in a financial year after finalisation of quarterly/half yearly/yearly financial accounts based on the profits of the Company.

(ii) Final Dividend

The Final dividend shall be recommended to the shareholders/members of the Company by the Board after the annual financial statements are approved by the Board. The Board shall recommend the payment of Final Dividend to the shareholders/members for their approval as an ordinary business item of the Annual General Meeting. If the Board declares more than one interim dividend in a financial year, the Board may recommend to the shareholder to treat the last interim dividend as a final Dividend.

5. Factors to be considered for declaring Dividend :

The payment/recommendation of dividend is to determine the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. The Board considers a stable dividend to constitute an important element of the Company's investment attractiveness and shareholder return. As a leading Non banking finance Company operating in rapidly developing, yet volatile, markets, its primary need is to maintain sufficient resources and financial flexibility to meet financial and operational requirements. The Retained earnings strengthen the Company's net owned funds. It will further help in maintaining Capital Adequacy Ratio (CAR) for the Company. The Board from time to time will decide utilisation of the retained earnings for organic/inorganic growth, market competition, creating long term shareholder value etc. The Board will ensure judicious balancing of these factors in the interest of the Company and its stakeholders. The decision regarding recommendation/declaration of dividend will depend upon various external and internal factors including the following:

(i) External Factors:-

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets - when the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory and Contractual Restrictions- The Board needs to keep in mind the restrictions imposed under the Act and any other laws, the regulatory developments with regard to declaration of dividend, the Company's contractual obligations under the loan agreements / debenture trust deed and other agreements, documents, writings limiting / putting restrictions on dividend pay-out.

(ii) Internal Factors:- In addition to the matters mentioned in CA13, regulations and this Policy, the following factors shall be considered.

Profitability, cash flow, cost of funds, business growth/expansion, diversification, additional investments, acquisition of business, modernisation and any other matter as may be decided by the Board from time to time.

The Shareholders of the Company may or may not expect dividend for a financial year(s) in the circumstances of (a) challenging/sluggish market conditions, (b) tough liquidity position, (c) losses/no profits/inadequate profits.

6. Quantum of Dividend :

Dividend shall be recommended/declared by the Board out of profits of the Current Financial Year of the Company. It shall not be recommended/paid out of Free Reserves or Profits of earlier financial years or both. No dividend shall be declared/ paid if there is default in redemption of debentures, payment of interest on debentures, creation of debenture redemption reserve, creation of capital redemption reserve, payment of dividend declared. The following matters shall be considered for determining the quantum of dividend. Company shall declare/recommend and disclose the Dividend on per share basis only

i) Current financial year's profit as determined for the purpose of Dividend in terms of applicable provisions of CA13.

ii) Transfer to reserves such amount as may be prescribed under the CA13, RBI regulation and other applicable regulation

The determination of dividend pay-out shall depend upon regulatory, internal and external factors .The Board may maintain a Dividend pay-out ratio (including the applicable dividend distribution tax) in the range of 20 – 25% or such other range as may be decided by the Board from time to time of profits after tax (PAT).

Annexure 12 (Contd.)

7. **Process Payment of Dividend :**

- The Company will give prior intimation of 2 working days to Stock Exchanges (excluding the date of intimation and the date of the Board meeting) of date of Board Meeting in which the declaration / recommendation of dividend will be considered.
- The Company will inform about the decision taken by Board regarding dividend to Stock Exchange within 30 minutes of the closure of the Board Meeting.
- The Company will fix Record date for the purpose of determination for list of shareholders eligible to receive dividend. Persons appearing as members in the register of members or benpose of the Company shall be entitled for Dividend.
- The intimation for fixing Record date shall be given to exchange at least seven working days in advance (excluding the date of intimation and the record date).
- Payment of Dividend shall be made through electronic mode or cheques or payable at par warrants. If dividend is payable by at par warrants or cheques they shall be sent by speed post, if it exceeds one thousand five hundred rupees. The Company shall be discharged of its responsibility of payment of Dividend on the amount debited to the Dividend Banking account of the Company with such dividend paying Bank.
- The dividend declared shall be deposited in a scheduled bank in a separate account within five days form the date of declaration of such dividend.

8. **Unclaimed/Unpaid Dividend :**

- Dividend declared by a Company remaining unpaid or unclaimed within 30 days from the date of declaration of Dividend, the Company shall within 7 days from the date of expiry of the said period of thirty days to a special account to be opened by the Company in any Scheduled bank to be called the Unpaid Dividend Account.
- Any money transferred to the Unpaid Dividend Account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with Interest accrued, if any, thereon to the Fund established by the Central Government called the Investor Education and Protection Fund ("IEPF") and investors can claim refund from IEPF and not from Company.

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

Business Responsibility Report

Annexure 13

	BUSINESS RESPONSIBILITY REPORT FOR THE YEAR ENDED ON MARCH 31, 2021	
	SECTION A : GENERAL INFORMATION ABOUT THE COMPANY	
1	Corporate Identity Number (CIN) of the Company	L65191TN1986PLC012840
2	Name of the Company	Shriram City Union Finance Limited
3	Registered address	123, Angappa Naicken Street, Chennai - 600 001
4	Website	www.shriramcity.in
5	E-mail id	sect@shriramcity.in
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code-64990
8	List three key products/services that the Company manufactures/ provides (as on March 31, 2021)	Please refer to page 4 & 5 for product details under heading Persistence & progress through all-encompassing product contributions
9	Total number of locations where business activity is undertaken by the Company	
a)	Number of International Locations (Provide details of major 5)	Nil
b)	Number of National Locations	926
10	Markets served by the Company - Local /State/National/ International	National
	SECTION B : FINANCIAL DETAILS OF THE COMPANY	
1	Paid up Capital (INR in lacs) (Consolidated)	6,600.50
2	Total Turnover (INR in lacs) (Consolidated)	6,16,786.62
3	Total profit after taxes (INR in lacs) (Consolidated)	1,07,771.53
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	2.11%
5	List of activities in which expenditure in 4 above has been incurred	Education, Health care, Welfare and Culture and skill development
	SECTION C : OTHER DETAILS	
1	Does the Company have any Subsidiary Company / Companies	Yes. M/s Shriram Housing Finance Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The Subsidiary does not participate in the BR initiatives of the Company
3	Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30%-60%, More than 60%)	No other entity participates in the BR initiatives of the Company
	SECTION D : BR INFORMATION	
1	Details of Director/Directors responsible for BR	
a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	Sri Yalamati Srinivasa Chakravarti, Managing Director, DIN-00052308, Telephone No. +91 44 4392 5300, email id - md@shriramcity.com
b)	Details of BR Head	

Business Responsibility Report
Annexure 13 (Contd.)

2. Principle-wise (as per NVGs) compliance with BR Policy(ies)

Sl	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	N	Y	N	N	Y	N	N	N
3	Does the policy conform to any national/ international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board ? If yes, has it been signed by MD/owner/CEO/appropriate Board Director	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board /Director official to oversee implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Refer to the Note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

Yes ("Y") ,No ("N")

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Business should promote the wellbeing of all employees

P4 Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalised

P5 Business should respect and promote human rights

P6 Business should respect, protect and make efforts to restore the environment

P7 Business,when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Business should support inclusive growth and equitable development

P9 Business should engage with and provide value to their customers and consumers in a responsible manner

If answer to the question at serial number 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Answers to the question at 1 in the above table for all the Principles is Yes. So, explanation is not required.

Sl No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	**The Company has not understood the Principles**									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason (please specify)									

Notes for Sl no 3 to the above table : The policies are formulated based on applicable regulations/general practices and therefore the polices conform to national standards

Note for Sl no 6 to the above table: The web link for the policies of the Company are as follows https:// www.shriramcity.in/Investors---->Company Information---→Policies. The remaining policies are not displayed on the web site as they are internal to the Company

3. Governance related to BR

The Business Responsibility Policy constitute different policies of the Company. Those policies were implemented and the compliance of such policies were discussed in the meeting of the Board of Directors of the Company each quarter during FY21. This report is displayed on the web site as part of the Annual Report

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group / Joint Ventures / suppliers / Contractors / NGOs / Others?	Yes. It extends to Company only
2		How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details there of in about 50 words or so.	Please refer to notes to accounts
1	P2	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities	The Company is a NBFC. This is not applicable
2		For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	Not Applicable
a		Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain	Not Applicable
b		Reduction during usage by customers (energy, water) has been achieved since the previous year	Not Applicable
3	P2	Does the Company have procedures in place for sustainable sourcing (including transportation)	Not Applicable
a		If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Not Applicable
4		Has the Company taken any steps to procure goods and services from local & Small producers, including communities surrounding their place of work	The Company is a NBFC and procures goods locally. The Company prefers employing from the same locality
		If yes, what steps have been taken to improve their capacity and capability of local and small vendors	
5		Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	No. Not Applicable.

Business Responsibility Report
Annexure 13 (Contd.)

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P3	Please indicate the Total number of employees	24,963
2		Please indicate the Total number of employees hired on temporary/ contractual/casual basis	349 as on March'21 Consultants on contract, Temporary & Casual –. Nil
3		Please indicate the Number of permanent women employees	3096
4		Please indicate the Number of permanent employees with disabilities	35
5		Do you have an employee associated that is recognised by management	No
6	P3	What percentage of your permanent employees is members of this recognised employee association	Not applicable
7		Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of the financial year	Nil
8		What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees,(b) Permanent Women Employees, (c) Casual/Temporary/Contractual Employees, (d) Employees with disabilities	All New Joinees and , (a) Permanent Employees - 52% of existing employees. (b) Permanent Women Employees – 60% of existing employees. (c) Casual/ Temporary/ Contractual Employees - Nil Employees with disabilities - 50% of existing Employees.
1	P4	Has the Company mapped its internal and external stakeholders	Yes
2		Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3		Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to Note below.
1	P5	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs / Others	Yes. Only to Company
2		How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management	Please refer to the notes to accounts
1	P6	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others	Company
2		Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc. If yes, please give hyperlink for webpage etc.	Yes
3		Does the Company identify and assess potential environment risks	No
4		Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed	No
5		Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. If yes, please hyperlink for web page etc.	No
6		Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported	Not Applicable
7		Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

		SECTION E : PRINCIPLE - WISE PERFORMANCE	
1	P7	Is your Company a member of any trade and chamber or association ? If yes, Name only those major ones that your business deals with	Yes. M/s South India Hire Purchase Association, M/s Madras Chamber of Commerce and Industry
2		Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. Governance and Administration
1	P8	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Refer Note below
2		Are the programmes/projects undertaken through in-house team/own foundation /external NGO/government structures / any other organisation?	Programmes/Projects are undertaken by the Company, in house, external NGOs and combination of these.
3		Have you done any impact assessment of your initiative	Yes
4		What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken	Please refer "ANNUAL REPORT ON CSR"
5		Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.	Steps have been taken for community development through our lending activities and by our CSR activities
1	P9	What percentage of customer complaints / consumer cases are pending as on the end of financial year.	Please refer to the notes to accounts
2		Does the Company display product information on the product label, over and above what is mandated as per local laws	Not Applicable
3		Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4		Did your Company carry out any consumer survey/ consumer satisfaction trends?	No

Notes

P4.3: A significant number of our borrowers belong to low income group and persons not having access to formal line of credit. This is our special initiative to identify such borrowers and meet their credit requirement. We also meet the education and welfare need of marginalised persons through our corporate social responsibility activity.

P8.1: The Company is driven by one of it's objective of financial inclusiveness, in which the financial needs of persons not having access to formal banking system are provided with finance. This in turn contributes to inclusive growth and equitable development

SECTION E

PRINCIPLE -WISE PERFORMANCE

Business Responsibility ("BR") of the Company takes into consideration the principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ("NVG"). To enable it further, the Company has got Policies, Framework, Codes, Management Systems and Monitoring tools. The BR matters are monitored by the respective functional heads of the Company

Business Responsibility Report
Annexure 13 (Contd.)

Principle 1: Businesses should conduct and govern themselves with Ethics, transparency and accountability

The Company is governed with ethics, transparency, accountability and in compliance with applicable laws. Corporate Governance of the Company reflects ethics, transparency and accountability The Code of Conduct for Board Members and Senior Management ("CCBS") governs the conduct of Directors and Senior Management personnel and they confirm adherence to the CCBS annually. CCBS is reviewed and upgraded regularly. The Company regularly communicates in different modes with it's with members, security holders, other agencies and public at large. The Whistle Blower Policy of the Company is aimed at bringing out unethical conducts and thereby making transactions ethical and transparent. The Company conducts familiarisation programme for Independent Directors, which together with fair disclosure make activities transparent. The roles of Chairman and CEO are separately held by different individuals and the Chairman is an Independent Director ,which bring in transparency and ethics.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company is engaged in the business of financing and provides loans to its borrowers and accepts deposits from public. The products and services provided by the Company, not being physical in nature are safe and sustainable. The Company as a whole works towards reducing our environmental foot prints.

Principle 3: Businesses should promote wellbeing of employees

The Company is an equal opportunity provider to all employees starting from their recruitment irrespective of their caste, creed, gender, race, religion, language, disability or sexual orientation. Our employees belong to all parts of the country and are selected based on individual merit without any discrimination or preference. We encourage the capable employees reaching senior positions and be a part of Company's decision making process. Employee welfare measures on counseling on stress free living, medical and eye checkup, yoga etc. were conducted during the year. We maintain cordial relationship with our employees. We train our employees on upgrading functional and soft skills. In order to ensure healthy working conditions and prevent sexual harassment of women employees, we have constituted Internal Complaint Redressal Committee at various workplaces with a Policy on Prevention of Sexual Harassment at Workplace for Women in force. Employee continuing policies and compliance with regulation have promoted wellbeing of employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The Company respects the interests of stake holders .The grievances of share/security/deposit holders, borrowers, customers, regulators, government agencies, lenders others ,public and society at large are responded to within stipulated time In such response the interest of such stake holders and the Company are considered. Committee of the Board which meets quarterly overseas this. Our policy is to treat all customers in fair and transparent manner. The loan recovery and collection operation are in-house, which ensures relationship based recovery procedures well-suited to our customers. The Company pays dividend, interest, redemption value and other dues on their respective due dates subject to the requirement of process. The award of credit rating, which indicates high consider these. The Company's CSR programmes are focused on education, skill development for disadvantaged sections of the society.

Principle 5: Businesses should respect and promote human rights

The Company employs without discrimination and pays fair wages to employees. The employees are given equal opportunity to suggest for betterment. The Company has implemented policy on Prevention of Sexual Harassment of women Employees are treated equally with dignity. We comply and adhere to all the human rights laws and guidelines.

Principle 6: Business should respect, protect and make efforts to restore the environment

The Company has made many of its processes automated making it less paper based information. We appeal to our shareholders, security holders, NCD/FD holders, borrowers for dealing with us electronically (demat, email, direct credit to bank a/c etc), thereby reducing use of paper . We continue to create awareness about environment protection among employees & customers. The Company adheres to all pollution control measures. We use electronic methods of communication within and outside our offices and avoid use of paper as far as possible.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of and actively participates in organisations representing NBFC industry, through which different matters of NBFC industry are represented and influenced. Additionally, the Company also represents business interest of NBFC industry to regulatory authorities in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development

We meet the financial need of persons of areas generally in unbanked/less banked areas with many of our branches at semi urban and rural areas. We also mobilise deposits from these areas. These two promote the 'financial inclusion' which is the focus point of all welfare initiatives of the government. Our CSR activities contribute the development and growth of persons in semi urban and rural areas..

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Our customers have derived value by being associated with us in availing finance and keeping money deposited with us. When availing finances have helped in achieving advancement, progress, growth in their business, the deposits have helped them with reasonable return to carry out their objectives.. We engage with our customers to understand their need in order to offer a suitable product to them on timely basis. The redressal of customer grievances within reasonable time helps us to serve our customers in responsible manner. Our other services like insurance, settlement of insurance claims, support for housing loans have helped us to value to our services to customers.

Form No.MR-3 SECRETARIAL AUDIT REPORT

Annexure 14

FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Shriram City Union Finance Limited

123, AngappaNaicken Street,

Chennai - 600001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram City Union Finance Limited,Corporate Identification Number L65191TN1986PLC012840 ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the following provisions as amended from time to time:

1) The Companies Act,2013 (the Act) and the rules made there under;
2) The Securities Contracts(Regulation) Act, 1956('SCRA') and the rules made there under;
3) The Depositories and Participants Regulations, 2018 and Bye-laws framed thereunder;
4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
5) The following Regulations and Guidelines as amended from time to time prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
    a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amended from time to time;
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    g) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
6) Reserve Bank of India Act, 1934;
7) Master Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 and circulars of Reserve Bank of India thereon;
8) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
9) Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
10) Non-Banking Financial Companies– Corporate Governance (Reserve Bank) Directions, 2015.

Form No.MR-3 SECRETARIAL AUDIT REPORT
Annexure 14 (Contd.)

I have also examined compliance with the applicableclauses of the following:

(i) Secretarial Standards issued by The Institute ofCompany Secretaries of India.

(ii) The Equity Listing Agreements entered into bythe Company with BSE Limited and NationalStock Exchange of India Limited;

(iii) The Debt Listing Agreements entered into bythe Company with BSE Limited and NationalStock Exchange of India Limited;

During the period under review the Company has compliedwith the provisions of the Act, Rules, Regulations,Guidelines, Standards, etc. mentioned above except that:

1. The Company filed the disclosures of related party transactions on a consolidated basis with a delay of 6 dayswhich was to be filed within 30 days from the date of publication of its standalone and consolidated financial results for half year ended September 30, 2020. The Company received notice from M/s BSE Ltd and M/s National Stock Exchange of India Limited and the Company has represented to both the stock exchanges in response to the said notice. The Company is yet to receive further communication in this regard.
2. The Company paid a penalty of ₹ 5,00,000/- (Rupees Five lacs only) to the Reserve Bank of India (RBI) in response to the Order issued by RBI dated September 23, 2020 for non-compliance with directions issued by the RBI contained in "Non-Banking Financial Company – Systematically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016" and "Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016" which was observed with respect to the financial position of the Company as on March 31, 2018.
3. The Company paid a fine of ₹ 4,50,000/- (Rupees Four lacs Fifty Thousand only) to Financial Intelligence Unit - India (FIU-IND), Ministry of Finance, Government of India in response to the Order No. 11/DIR/ -IND/2020 dated December 4, 2020 for non-compliance under Section 12 and 13 of the Prevention of Money Laundering Act, 2002.

I further report that-

The Board of Directors of the Company is dulyconstituted with proper balance of Executive Directors,Non-Executive Directors and Independent Directors. Thechanges in the composition of the Board of Directors thattook place during the period under review were carriedout in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agendawere sent at least seven days in advance, and a systemexists for seeking and obtaining further information and clarifications on the agenda items before the meeting andfor meaningful participation at the meeting.

All decisions were carried out with majority approval ofthe Board and there was no instance of dissent voting byany member during the period under review.

I have examined the systems and processes establishedby the Company to ensure the compliance with generallaws including Labour Laws, Employees Provident FundsAct, Employees State Insurance Act & other State Laws,considering and relying upon representations made by theCompany and its Officers for systems and mechanismsformed by the Company for compliance under these lawsand other applicable sector specific Acts, Laws, Rulesand Regulations applicable to the Company and itsobservance by them.

I further report that there are adequate systems andprocesses in the Company commensurate with the sizeand operations of the company to monitor and ensurecompliance with applicable laws, rules, regulations andguidelines.

I further report that during the audit period, there were no specific events / actions having major bearing on theCompany's affairs in pursuance of the above referredlaws, rules, regulations, guidelines, etc.

For M/s. P.Sriram & Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN-F004862C000213851
Peer Review No- S2011TN155200

Place: Chennai
Date: April 30, 2021

To

The Members,

Shriram City Union Finance Limited

My report of event date is to be read along with thissupplementary testimony.

1. Maintenance of secretarial record is the responsibilityof the management of the Company. My responsibility is to express an opinion on these secretarial recordsbased on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assuranceabout the correctness of the contents of theSecretarial records. The verification was done ontest basis to ensure that correct facts are reflected in secretarial records. I believe that the processesand practices, the company had followed provide are reasonable basis for our opinion.
3. I have not verified the correctness andappropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Managementrepresentation about the compliance of laws, rulesand regulations and happening of events etc.
5. The compliance of the provisions of Corporate andother applicable laws, rules, regulations, standards isthe responsibility of management. My examination waslimited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assuranceas to the future viability of the company nor of theefficiency or effectiveness with which the management has conducted the affairs of the company.

For M/s. P.Sriram & Associates,

P. Sriram
Proprietor
Certificate of Practice No - 3310
Membership No - F4862
UDIN-F004862C000213851
Peer Review No- S2011TN155200

Place: Chennai
Date: April 30, 2021

TABLE – 1

TABLE OF WEB LINK FOR POLICIES/OTHERS MATTERS APPEARING IN DIRECTORS REPORT OF THE COMPANY

S. No	Name of the Policies	Web Link
1.	Dividend Distribution Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Dividend_Distribution_Policy.zip
2.	Related Party Transaction Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Related_Party_Transaction__RPT__Policy.zip
3.	Whistle Blower and Vigil Mechanism Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Whistle_Blower_and_Vigil_Mechanism_Policy.zip
4.	Policy on Appointment Remuneration and Diversity of Board	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Policy_on_Appointment_Remuneration_and_Diverstiy_of_Board.zip
5.	Terms and conditions of appointment of Independent Director	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Terms_and_conditions_of_appointment_of_Independent_Directors.zip
6.	Familiarisation Programme for Independent Directors	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Familiarisation_Programme_for_Independent_Directors.zip
7.	Code of Conduct for Board Members and Senior Management	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Code_of_Conduct_for_Board_Members_and_Senior_Management.zip
8.	Policy on Material Subsidiary (ies) and Events	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Policy_on_Material_Subsidiary_ies__and_Events.zip
9.	Policy on Preservation and Archival of Documents	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/SCUF_Policy_on_Preservation_and_Archival_Documents.zip
10.	Code for Fair Disclosure and Conduct	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/CODE_FOR_FAIR_DISCLOSURE_AND_CONDUCT.zip
11.	Corporate Social Responsibility Policy	https://www.nseprimeir.com/z_SHRIRAMCIT/pdf_files/Corporate_Social_Responsibility_Policy.zip
12.	Annual Return	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/MGT_7FY20-21.pdf
13.	Unclaimed Deposits/ Debentures/ Sub Debt	https://www.nseprimeir.com/pages_new/Unclaimed_FD_Debenture.aspx?value=7UgP1IltRM3M600MSHCcMw==
14.	Unclaimed/ Unpaid Dividend	https://www.nseprimeir.com/z_SHRIRAMCIT/unclaimed_dividend.aspx?value=7UgP1IltRM3M600MSHCcMw==
15.	Standalone and Consolidated Financial Statements	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2020-21.zip
16.	Financial Results of the Company	https://www.nseprimeir.com/pages_new/FinResultSummary.aspx?value=7UgP1IltRM3M600MSHCcMw==
17.	Annual Report of the Company	https://www.nseprimeir.com/ir_download/PPN_AnnualReports/SCUF_Annual_Reports_2020-21.zip
18.	Investors Presentation	https://www.nseprimeir.com/z_SHRIRAMCIT/investor_presentation.aspx
19.	Earning call transcripts	https://www.nseprimeir.com/z_SHRIRAMCIT/earning_call.aspx
	Listed Secured redeemable Non-Convertible Debentures (NCDs)	https://www.nseprimeir.com/z_SHRIRAMCIT/files/DETAILS_OF_LISTED_SECURED_REDEEMABLE_NCDs.pdf

FINANCIAL STATEMENTS

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:

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 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.

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

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

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

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Standalone Statement of changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Changes in Equity share capital during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Changes in Equity share capital during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2021

₹ in lacs

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at April 1, 2019	**1,08,411.30**	**53.37**	**1,75,492.24**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,50,924.56**	**(732.67)**	**6,32,533.22**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,00,052.00	-	1,00,052.00
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(340.60)	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(664.10)	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	115.51	115.51
Transferred from Retained Earnings up to August 16, 2019	-	-	-	2,930.90	-	-	-	(2,930.90)	-	-
Amount transferred to General Reserve on Redemption of Non convertible Debentures up to August 16, 2019	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	26.67	-	-	-	-	-	-	26.67
Adjustment on Exercise of Employee Stock Option Plan	-	(24.02)	-	-	-	-	-	-	-	(24.02)
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve	20,020.00	-	-	-	-	-	-	(20,020.00)	-	-
Transfer to General Reserve	-	-	-	-	-	10,010.00		(10,010.00)	-	-
Balance as at March 31, 2020	**1,28,431.30**	**29.35**	**1,75,518.91**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,00,512.26**	**(1,621.86)**	**7,14,195.28**

Standalone Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Reserves and Surplus								Other Comprehensive Income	Total
	Statutory Reserve	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings		
Balance as at March 31, 2020	**1,28,431.30**	**29.35**	**1,75,518.91**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,00,512.26**	**(1,621.86)**	**7,14,195.28**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	1,01,094.42	-	1,01,094.42
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	1,178.74	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	768.97	768.97
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	(632.84)	(632.84)
Share Premium received during the year on exercise of ESOPs	-	-	5.28	-	-	-	-	-	-	5.28
Expenses on Employee Stock Option Plan (Refer Note No. 38)	-	1,847.93	-	-	-	-	-	-	-	1,847.93
Adjustment on Exercise of Employee Stock Option Plan	-	(4.76)	-	-	-	-	-	-	-	(4.76)
Interim Equity Dividend FY 2020-21	-	-	-	-	-	-	-	(13,200.93)	-	(13,200.93)
Transfer to Statutory Reserve	20,490.00	-	-	-	-	-	-	(20,490.00)	-	-
Transfer to General Reserve	-	-	-	-	-	10,250.00	-	(10,250.00)	-	-
Balance as at March 31, 2021	**1,48,921.30**	**1,872.52**	**1,75,524.19**	**-**	**2,328.98**	**1,11,374.46**	**7,871.88**	**3,57,665.75**	**(306.99)**	**8,05,252.09**

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 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

Notes to Standalone Financial Statements

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840
IRDA CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 30, 2021.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on as accrual basis.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 7 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest lacs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

The Balance Sheet, Statement of Profit and Loss and Statement of changes in Equity of the Company are prepared and presented in the format prescribed in the Division III of Schedule III of the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

4. STATEMENT OF COMPLIANCE

These standalone or separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

5. RECENT ACCOUNTING DEVELOPMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to Non-banking financial companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Financial instruments

(i) Classification of financial instruments

a. Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTCOI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company

does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

- At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business model/ (s) have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

b. Financial Liabilities

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

(iii) Financial assets measured at fair value through other comprehensive income

Financial Assets other than equity instruments:

These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Company does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Company does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Company has not designated any financial instruments as measured at fair value through profit or loss.

(v) Investment in subsidiaries

The Company has accounted for its investments in subsidiary at cost.

(vi) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Company undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

(vii) Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(viii) Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss.

- The premium is recognised in the statement of profit and loss on a straight-line basis over the life of the guarantee.

(ix) Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which company changes its business model for managing financial assets. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities until the year ended March 31, 2021.

(x) Recognition and Derecognition of financial assets and liabilities

<u>Recognition:</u>

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Company.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

<u>Derecognition of financial assets other than due to substantial modification</u>

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the statement of profit and loss as per Ind AS 109. Also, the Company recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Company is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Company does not have any financial liabilities which have been derecognised.

(xi) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheeler Loans, Personal loans, Pre-Owned Two Wheeler Loans and Loan Against property.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Company shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package, the Company has granted moratorium upto six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at February 29, 2020 where moratorium benefit has been granted, the staging of such accounts remained stand still during the moratorium period. Based on an assessment by the Company, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. 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.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Company's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit and loss, and the ECL provision. For this purpose, the Company estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Company has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Company does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD)- The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xiii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note 6.1(iii) to 6.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

6.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

(v) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed).

6.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Company fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Company's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

The Company presents the Provision for compensated absences under provisions in the Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company. A corresponding amount is recognised directly in equity.

6.4 Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

6.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

6.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated. .

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

6.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/ sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

6.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. As at reporting date, the Company does not have any such provisions where the effect of time value of money is material.

6.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

6.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

6.11 Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

7. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

7.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

7.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

7.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

7.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 6.1(xi) Overview of ECL principles.

7.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

7.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

7.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

8. CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,427.01	885.21
Balances with banks (of the nature of cash and cash equivalents)		
-Current Account	1,32,365.06	28,208.80
-Bank deposit with original maturity less than three months	2,43,736.10	1,80,088.77
Total	**3,81,528.17**	**2,09,182.78**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. The company has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

9. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Unclaimed dividend accounts	86.42	92.88
Bank deposits with original maturity for more than 3 months*	41,238.45	25,185.45
Balances with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.	98,583.25	71,775.20
Total	**1,39,908.12**	**97,053.53**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2021: ₹ 21,197.76 lacs (March 31, 2020: ₹ 20,181.02 lacs) towards SLR requirement for Public Deposits Outstanding.

10. RECEIVABLES

(I) Trade Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Total	**229.99**	**89.76**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

10. RECEIVABLES (Contd.)

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	239.62	-	-	-	-	239.62
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**239.62**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**(9.63)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**229.99**	**-**	**-**	**-**	**-**	**229.99**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	93.12	-	-	-	-	93.12
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**93.12**	**-**	**-**	**-**	**-**	**93.12**
ECL - Simplified approach	**(3.36)**	**-**	**-**	**-**	**-**	**(3.36)**
Net carrying amount	**89.76**	**-**	**-**	**-**	**-**	**89.76**

Reconciliation of impairment allowance on trade receivable

₹ in lacs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	3.36
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**

11. LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2021					As at March 31, 2020				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans	29,46,518.91	-	-	-	29,46,518.91	28,65,652.55	-	-	-	28,65,652.55
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (A) - Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(B)										
i) Secured by tangible assets	25,64,333.68	-	-	-	25,64,333.68	24,36,453.02	-	-	-	24,36,453.02
ii) Unsecured	3,82,185.23	-	-	-	3,82,185.23	4,29,199.53	-	-	-	4,29,199.53
Total (B) - Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (B) - Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	70,712.74	-	-	-	70,712.74	1,09,639.30	-	-	-	1,09,639.30
Retail	28,75,806.17	-	-	-	28,75,806.17	27,56,013.25	-	-	-	27,56,013.25
Total (C)- Gross	**29,46,518.91**	**-**	**-**	**-**	**29,46,518.91**	**28,65,652.55**	**-**	**-**	**-**	**28,65,652.55**
Less: Impairment loss allowance	2,04,507.27	-	-	-	2,04,507.27	2,04,399.59	-	-	-	2,04,399.59
Total (C)- Net	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**
(D)										
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (D) - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**27,42,011.64**	**-**	**-**	**-**	**27,42,011.64**	**26,61,252.96**	**-**	**-**	**-**	**26,61,252.96**

11. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in note 47.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 47.2.

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	17,55,270.88	-	-	17,55,270.88	21,30,932.70	-	-	21,30,932.70
Standard grade	7,70,117.07	-	-	7,70,117.07	3,40,429.28	-	-	3,40,429.28
Sub-standard grade	-	1,10,721.99	-	1,10,721.99	-	1,36,241.26	-	1,36,241.26
Past due but not impaired	-	1,22,810.23	-	1,22,810.23	-	31,755.58	-	31,755.58
Non- performing	-	-	1,87,598.75	1,87,598.75	-		2,26,293.73	2,26,293.73
Total	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**29,46,518.91**	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**

An analysis of changes in the gross carrying amount as follows:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	24,71,361.98	1,67,996.84	2,26,293.73	28,65,652.55	21,75,299.36	4,58,591.84	2,57,668.91	28,91,560.11
New assets originated or purchased	16,45,829.62	57,095.43	12,470.98	17,15,396.03	22,01,678.34	46,984.19	22,501.62	22,71,164.15
Assets derecognised or repaid (excluding write offs)	(14,16,719.93)	(83,725.31)	(49,284.56)	(15,49,729.80)	(18,77,060.54)	(2,49,649.63)	(93,838.28)	(22,20,548.45)
Transfers to Stage 1	72,877.88	(67,932.14)	(4,945.74)	-	1,59,130.15	(1,55,330.42)	(3,799.73)	-
Transfers to Stage 2	(1,77,805.13)	1,84,215.77	(6,410.64)	-	(1,20,582.98)	1,24,790.35	(4,207.37)	-
Transfers to Stage 3	(64,389.05)	(23,883.92)	88,272.97	-	(65,703.46)	(51,246.35)	1,16,949.80	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(406.77)	239.35	167.41	-	-	-	-	-
Amounts written off	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)
Gross carrying amount closing balance	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**29,46,518.91**	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**28,65,652.55**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

11. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	83,680.54	11,043.90	1,09,675.14	2,04,399.59	58,916.21	21,358.29	1,12,374.68	1,92,649.18
New assets originated or purchased	41,177.23	2,207.62	2,523.54	45,908.39	49,659.61	2,300.18	6,059.59	58,019.38
Transfers to Stage 1	7,895.83	(5,261.93)	(2,633.90)	-	10,238.61	(8,491.18)	(1,747.43)	-
Transfers to Stage 2	(6,921.23)	10,237.08	(3,315.85)	-	(3,403.65)	5,261.92	(1,858.27)	-
Transfers to Stage 3	(2,545.34)	(2,127.16)	4,672.50	-	(2,038.49)	(2,959.43)	4,997.92	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(29,804.02)	888.64	67,914.55	38,999.16	(28,292.86)	(282.75)	58,829.89	30,254.29
Amounts written off	(5,360.65)	(473.82)	(78,965.40)	(84,799.87)	(1,398.89)	(6,143.14)	(68,981.24)	(76,523.26)
ECL allowance - closing balance	**88,122.34**	**16,514.34**	**99,870.58**	**2,04,507.27**	**83,680.54**	**11,043.90**	**1,09,675.14**	**2,04,399.59**

Out of loan balances written off during the year ₹ 84,799.87 lacs (March 31, 2020 ₹ 76,523.26 lacs), ₹ 77,527.99 lacs and ₹ 66,310.43 lacs respectively are subject to enforcement activity by the company.

12. INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2021							
i) Mutual funds	-	-	434.03	-	434.03	-	434.03
ii) Government securities	8,638.94	-	-	-	-	-	8,638.94
iii) Equity instruments	-	9,686.10	-	-	9,686.10	-	9,686.10
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	66,090.73	-	-	-	-	-	66,090.73
vii) Investments in Pass Through Certificate	161.00	-	-	-	-	-	161.00
Total Gross (A)	**74,890.67**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,738.71**
(i) Investments outside India	-	9,686.10	-	-	9,686.10	-	9,686.10
(ii) Investments in India	74,890.67	-	434.03	-	434.03	16,727.91	92,052.61
Total Gross (B)	**74,890.67**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,738.71**
Less : Allowance for impairment loss (C)	**(6.47)**	**-**	**-**	**-**	**-**	**-**	**(6.47)**
Total - Net D = (A) - (C)	**74,884.20**	**9,686.10**	**434.03**	**-**	**10,120.13**	**16,727.91**	**1,01,732.24**

12. INVESTMENTS (Contd.)

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Others (At Cost)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account			
As at March 31, 2020							
i) Mutual funds	-	-	302.08	-	302.08	-	302.08
ii) Government securities	21,018.89	-	-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	-	8,917.14
iv) Subsidiary	-	-	-	-	-	16,544.00	16,544.00
v) Subsidiary- Deemed investment in subsidiary	-	-	-	-	-	183.91	183.91
vi) Treasury Bills	26,447.95	-	-	-	-	-	26,447.95
vii) Investments in Pass Through Certificate	-	-	-	-	-	-	-
Total Gross (A)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
(i) Investments outside India	-	8,917.14	-	-	8,917.14	-	8,917.14
(ii) Investments in India	47,466.84	-	302.08	-	302.08	16,727.91	64,496.83
Total Gross (B)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**
Less : Allowance for impairment loss (C)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net D = (A) - (C)	**47,466.84**	**8,917.14**	**302.08**	**-**	**9,219.22**	**16,727.91**	**73,413.97**

More information regarding the valuation methodologies can be found in Note 46.7

The Company received dividends of ₹ 190.28 lacs (March 31, 2020: ₹ 171.21 lacs) from its investments measured at FVTOCI securities, recorded as dividend income.

The Company has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the Company revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019 has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Company's internal grading system are explained in note 47.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	1,01,738.71	-	-	1,01,738.71	73,413.97	-	-	73,413.97
Standard grade	-	-	-	-	-	-	-	-
Non-performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**1,01,738.71**	**-**	**-**	**1,01,738.71**	**73,413.97**	**-**	**-**	**73,413.97**

12. INVESTMENTS (Contd.)

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**73,413.97**	**-**	**-**	**73,413.97**	**86,965.30**	**-**	**-**	**86,965.30**
New assets originated or purchased	82,880.04	-	-	82,880.04	757,705.10	-	-	757,705.10
Assets derecognised or matured	(58,255.78)	-	-	(58,255.78)	(772,385.95)	-	-	(772,385.95)
Other changes								
Amortisation of G-sec Premium	(71.20)	-	-	(71.20)	(123.94)	-	-	(123.94)
Interest on investment at amortised cost	2,870.77	-	-	2,870.77	2,951.00	-	-	2,951.00
Change in fair value								
OCI	768.97	-	-	768.97	(664.10)	-	-	(664.10)
Profit & Loss	131.94	-	-	131.94	(1,033.44)	-	-	(1,033.44)
Closing balance	**1,01,738.71**	**-**	**-**	**1,01,738.71**	**73,413.97**	**-**	**-**	**73,413.97**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
New assets originated or purchased	6.47	-	-	6.47	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	-
Closing balance in ECL	**6.47**	**-**	**-**	**6.47**	**-**	**-**	**-**	**-**

13. OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,296.02	2,249.73
Assignment receivable	1,036.67	1,730.97
Less: ECL on Assignment Receivable	(41.67)	(62.32)
Other receivables	0.16	2,434.44
Employee benefits recoverable from former employers for transfer of employees	962.25	990.86
Total	**4,253.43**	**7,343.68**

Reconciliation of impairment allowance on Assignment receivable

₹ in lacs

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	62.32
Less: Reversal during the year	-
Impairment allowance as per March 31, 2020	**62.32**
Add: Addition during the year	-
Less: Reversal during the year	20.65
Impairment allowance as per March 31, 2021	**41.67**

14. PROPERTY, PLANT AND EQUIPMENTS

₹ in lacs

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Cost:									
As at April 01, 2019	**2.31**	**12.94**	**3,230.84**	**3,305.96**	**7,259.95**	**2,576.91**	**57.35**	**12,464.66**	**28,910.92**
Additions	-	-	58.94	385.73	594.37	197.75	13.45	1,044.20	2,294.44
Disposals	-	-	65.20	98.43	351.92	18.86	0.54	89.27	624.22
As at March 31, 2020	**2.31**	**12.94**	**3,224.58**	**3,593.26**	**7,502.40**	**2,755.80**	**70.26**	**13,419.59**	**30,581.14**
Additions	-	-	30.19	178.31	793.72	108.40	27.52	658.42	1,796.56
Disposals	-	-	5.77	89.03	505.88	15.54	16.57	64.39	697.18
As at March 31, 2021	**2.31**	**12.94**	**3,249.00**	**3,682.54**	**7,790.24**	**2,848.66**	**81.21**	**14,013.62**	**31,680.52**
Accumulated depreciation and impairment:									
As at April 01, 2019	**-**	**3.85**	**2,555.89**	**1,348.37**	**5,432.67**	**1,437.57**	**25.38**	**10,182.72**	**20,986.45**
Disposals	-	-	57.23	66.83	333.80	17.24	0.36	71.39	546.85
Depreciation charge for the year	-	0.17	206.71	320.31	955.75	197.27	5.91	1,214.40	2,900.52
As at March 31, 2020	**-**	**4.02**	**2,705.37**	**1,601.85**	**6,054.62**	**1,617.60**	**30.93**	**11,325.73**	**23,340.12**
Disposals	-	-	5.51	72.89	480.62	13.66	11.80	63.96	648.44
Depreciation charge for the year	-	0.17	145.04	329.06	786.31	194.98	7.77	1,087.79	2,551.12
As at March 31, 2021	**-**	**4.19**	**2,844.90**	**1,858.02**	**6,360.31**	**1,798.92**	**26.90**	**12,349.56**	**25,242.80**
Net carrying amount as at March 31, 2020	**2.31**	**8.92**	**519.21**	**1,991.41**	**1,447.78**	**1,138.20**	**39.33**	**2,093.86**	**7,241.02**
Net carrying amount as at March 31, 2021	**2.31**	**8.75**	**404.10**	**1,824.52**	**1,429.93**	**1,049.74**	**54.31**	**1,664.06**	**6,437.72**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2021 is ₹ 2.31 lacs (March 31 2020: ₹ 2.31 lacs).

15. OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2019	**3,886.42**
Additions	170.83
Disposals	-
As at March 31, 2020	**4,057.25**
Additions	149.41
Disposals	-
As at March 31, 2021	**4,206.66**
Accumulated amortisation and impairment:	
As at April 01, 2019	**3,729.06**
Depreciation charge for the year	135.01
Disposals	-
As at March 31, 2020	**3,864.07**
Depreciation charge for the year	138.15
Disposals	-
As at March 31, 2021	**4,002.22**
Net carrying amount as at March 31, 2020	**193.18**
Net carrying amount as at March 31, 2021	**204.44**

16. RIGHT OF USE ASSETS

As at March 31, 2021

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2020)	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2021
1	Office Premises	15,487.33	6,385.90	959.95	5,294.87	15,618.41

As at March 31, 2020

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Office Premises	-	15,630.81	5,656.31	619.53	5,180.26	15,487.33

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

17. OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and Service tax credit (input) receivable	8,681.43	6,055.83
Other Advances	121.67	165.21
Statutory duties paid under protest	766.66	766.66
Capital advances	88.06	71.09
Prepaid expenses	622.36	965.67
Deposit with gratuity fund in excess of obligation	1,475.55	-
Total	**11,755.73**	**8,024.46**

18. OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,729.05	6,077.83
Total	**6,747.95**	**6,077.83**

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.90	-	-	-	18.90
Others	6,727.06	1.99	-	-	6,729.05
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**6,745.96**	**1.99**	**-**	**-**	**6,747.95**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	6,077.83	-	-	-	6,077.83
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**6,077.83**	**-**	**-**	**-**	**6,077.83**

19. DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue *	86,924.21	-	-	86,924.21	84,955.43	-	-	84,955.43
Privately placed **	3,39,438.79	-	-	3,39,438.79	3,61,872.22	-	-	3,61,872.22
Total	**4,26,363.00**	**-**	**-**	**4,26,363.00**	**4,46,827.65**	**-**	**-**	**4,46,827.65**
Debt securities in India	4,26,363.00	-	-	4,26,363.00	4,46,827.65	-	-	4,46,827.65
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**4,26,363.00**	**-**	**-**	**4,26,363.00**	**4,46,827.65**	**-**	**-**	**4,46,827.65**

* Includes ₹ 5,192.17 lacs (March 31, 2020 ₹ 5,167.81 lacs) issued to related parties.

** Includes ₹ 2,389.31 lacs (March 31, 2020 ₹ 2,311.51 lacs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

₹ in lacs

Tranche I Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	42,330.07	41,656.21	30-Apr-21
Series II	9.54%	2,955.37	2,650.23	30-Apr-21
Series III	9.65%	6,985.01	6,910.72	30-Apr-22
Series IV	9.26%	4,034.35	3,986.74	30-Apr-22
Series V	9.64%	2,902.22	2,615.41	30-Apr-22
Series VI	9.75%	7,065.31	7,020.61	30-Apr-24
Series VII	9.35%	3,431.69	3,407.24	30-Apr-24
Series VIII	9.75%	2,450.56	2,216.93	30-Apr-24
		72,154.58	**70,464.09**	

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

19. DEBT SECURITIES (Contd.)

₹ in lacs

Tranche II Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	3,098.30	3,069.75	25-Sep-21
Series II	9.55%	617.73	558.28	25-Sep-21
Series III	9.70%	1,646.07	1,636.06	25-Sep-22
Series IV	9.30%	1,313.58	1,305.02	25-Sep-22
Series V	9.71%	938.58	850.15	25-Sep-22
Series VI	9.85%	5,420.43	5,401.17	25-Sep-24
Series VII	9.45%	1,092.30	1,088.07	25-Sep-24
Series VIII	9.88%	642.64	582.84	25-Sep-24
		14,769.63	**14,491.34**	
Grand Total - Tranche I and II		**86,924.21**	**84,955.43**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Company's specifically identified assets such as book debts / loan receivables in favour of the Trustees appointed.

The Company had utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilisation, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
8.20%	-	14,645.08	16-Apr-20
8.15%	-	43,630.87	27-May-20
9.30%	-	5,366.91	17-Jun-20
9.30%	-	5,358.07	22-Jun-20
8.15%	-	623.85	30-Jun-20
7.97%	-	24,174.40	6-Oct-20
7.97%	-	31,002.56	27-Oct-20
9.40%	-	23,734.92	30-Dec-20
10.75% *	-	100.68	4-Feb-21
9.80% #	-	63,017.54	21-Sep-21
9.70% **	54,807.61	54,173.67	5-Mar-22
8.98%	15,540.55	-	9-Mar-22
9.90%	10,290.26	9,390.72	4-Apr-22
8.98%	20,713.25	-	6-Apr-22
8.15%	2,529.63	-	18-May-22
8.95%	20,034.55	-	18-Aug-22

19. DEBT SECURITIES (Contd.)

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
9.90%	10,992.93	10,013.85	29-Sep-22
8.09%	8,202.91	8,201.41	5-Dec-22
8.60%	14,825.47	-	27-Jan-23
9.25%	49,812.53	49,515.13	28-Feb-23
8.60%	47,903.37	-	1-Mar-23
9.25%**	2,479.95	2,460.66	5-Mar-23
8.90%	11,513.58	11,511.94	27-Mar-23
8.40%	19,705.94	-	30-Mar-23
8.40%	29,091.02	-	17-May-23
9.25%	4,970.79	4,949.96	28-May-24
9.25%	975.18	-	8-Feb-30
9.25%	4,833.76	-	22-Feb-30
9.50%	2,926.36	-	7-Feb-31
9.50%	7,289.15	-	21-Feb-31
Total	**3,39,438.79**	**3,61,872.22**	

* Repaid in instalments.

Preclosed in Sep 2020.

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Company's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 18 months to 120 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 totalling to ₹ 57,263.26 lacs (March 31, 2020 : 56,925.75 lacs) are having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Company.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

20. BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in INR	7,62,526.16	-	-	7,62,526.16	7,89,133.69	-	-	7,89,133.69
from financial institution/ NBFC in INR	2,63,930.95	-	-	2,63,930.95	64,040.47	-	-	64,040.47
from bank in INR-Securitisation	38,605.98	-	-	38,605.98	58,553.69	-	-	58,553.69
from financial institution/ NBFC in INR-Securitisation	2,99,853.14	-	-	2,99,853.14	3,19,206.50	-	-	3,19,206.50
Loans repayable on demand								
Cash credit / Overdraft facilities from banks	35,847.57	-	-	35,847.57	48,037.90	-	-	48,037.90
Working Capital demand loan from banks	1,76,515.34	-	-	1,76,515.34	1,54,488.98	-	-	1,54,488.98
Unsecured								
Commercial Papers	-	-	-	-	11,164.33	-	-	11,164.33
Total	**15,77,279.14**	**-**	**-**	**15,77,279.14**	**14,44,625.56**	**-**	**-**	**14,44,625.56**
Borrowings in India	15,77,279.14	-	-	15,77,279.14	14,44,625.56	-	-	14,44,625.56
Borrowings outside India	-	-	-	-	-	-	-	-
Total	**15,77,279.14**	**-**	**-**	**15,77,279.14**	**14,44,625.56**	**-**	**-**	**14,44,625.56**

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	7.20% to 11.50%	3 to 24 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,06,881.75
12-24 Months	7.80% to 10.60%	3 to 36 installments of monthly, quarterly frequency	2,27,252.09
24-36 Months	8.15% to 10.20%	8 to 33 installments of monthly, quarterly frequency	1,83,430.03
36-48 Months	8.50% to 9.45%	14 to 15 installments of quarterly frequency	1,44,962.29
Total			**7,62,526.16**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	8.80% to 10.85%	2 to 12 installments of quarterly, Half yearly and annual frequency	1,59,251.37
12-24 Months	8.55% to 10.85%	3 to 24 installments of monthly, quarterly, Half yearly frequency	2,88,843.96
24-36 Months	9.55% to 10.60%	4 to 36 installments of monthly, quarterly frequency	1,84,151.96
36-48 Months	9.20% to 10.75%	11 to 19 installments of quarterly frequency	1,56,886.41
Total			**7,89,133.69**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 Months	6.21% to 9.00%	4 Quarterly installments & Bullet Payment	43,882.35
12-24 Months	7.60% to 9.40%	12 to 20 Quarterly Installments	12,851.91
24-36 Months	8.25%	10 Quarterly Installments	4,359.24
36-48 Months	10.50%	20 Half-yearly installments	27,875.40
48-60 Months	7.20% to 9.75%	20 Quarterly Installments	1,44,803.84
Above 60 Months	8.75%	20 Quarterly Installments	30,158.21
Total			**2,63,930.95**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 Months	8.65% to 10.00%	12 to 20 Quarterly Installments	20,922.83
48 to 60 Months	10.50%	20 Half yearly installments	43,117.64
Total			**64,040.47**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
48-60 Months	9.10% to 10.00%	1 to 70 installments of monthly frequency	38,605.98
			38,605.98

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Above 60 Months	9.10% to 10.00%	1 to 70 installments of monthly frequency	58,553.69
			58,553.69

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 Months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 Months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 Months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 Months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			**2,99,853.14**

20. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
12-24 Months	7.05% to 10.65%	1 to 54 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 30 installments of monthly frequency	136,482.01
36-48 Months	10.25%	1 to 52 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.30% to 11.80%	35,847.57	48,037.90
Total		**35,847.57**	**48,037.90**

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 11.05%	1,76,515.34	1,54,488.98
Total		**1,76,515.34**	**1,54,488.98**

Commercial Papers-Unsecured

₹ in lacs

Particulars	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	7.40% to 9.45%	Bullet Repayment	-	11,164.33
Total			**-**	**11,164.33**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

21. DEPOSITS

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	5,52,881.69	-	-	5,52,881.69	4,01,206.80	-	-	4,01,206.80
Recurring deposits	7.09	-	-	7.09	-	-	-	-
Total	**5,52,888.78**	**-**	**-**	**5,52,888.78**	**4,01,206.80**	**-**	**-**	**4,01,206.80**

Deposits issued to directors : Nil (March 31, 2020: Nil)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	65,754.95	97,205.09	-	1,62,960.04
12-24 months	23,585.51	1,22,138.47	-	1,45,723.98
24-36 months	17,871.37	1,17,186.77	-	1,35,058.15
36-48 months	775.24	43,779.59	-	44,554.83
48-60 months	-	64,584.70	-	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**-**	**5,52,881.69**

Terms of Repayment as at March 31, 2020

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

21. DEPOSITS (Contd.)

Details of Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	2.10	-	-	2.10
12-24 months	0.49	-	-	0.49
24-36 months	-	0.70	-	0.70
36-48 months	-	0.05	-	0.05
48-60 months	-	3.75	-	3.75
Total	**2.59**	**4.50**	**-**	**7.09**

Terms of Repayment as at March 31, 2020

Outstanding as at March 31, 2020 : Nil

22. SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	-	-	-	-	23,923.91	-	-	23,923.91
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**
Subordinate liabilities in India	-	-	-	-	23,923.91	-	-	23,923.91
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**

Terms of repayment as at March 31, 2021

Privately Placed Subordinated Debts of Rs 1,000/- Each - Unquoted: Nil

Terms of repayment as at March 31, 2020

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	Total
	>= 10% < 12%	
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

23. OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unpaid dividend	86.42	92.88
- Unclaimed matured deposits and interest thereon	6,156.82	10,983.54
- Unclaimed matured debentures and interest thereon	573.98	756.45
- Unclaimed matured subordinate debts and interest accrued thereon	2,059.81	5,486.68
Payable on account of Assignment	1,587.76	6,992.62
Royalty payable	1,641.31	1,554.29
Financial guarantee obligation	-	117.13
Creditors for Supply & Services	353.48	184.99
Employee related payables	5,005.11	5,702.66
Lease Liability	16,757.24	15,977.38
COVID-19 Ex-gratia relief Payable	140.10	-
Dividend payable*	6,600.50	-
Total	**40,962.53**	**47,848.62**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents Interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Financial Guarantee Obligation

Credit quality of exposure

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial guarantee obligation	-	2,500.00
Total	**-**	**2,500.00**

23. OTHER FINANCIAL LIABILITIES (Contd.)

An analysis of changes in the gross carrying amount in relation to financial guarantee exposure is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance of outstanding exposure	**2,500.00**	**2,500.00**
Additions	-	-
Deletions	2,500.00	-
Closing Balance of outstanding exposure	**-**	**2,500.00**

No ECL has been provided for financial guarantee obligation based on past history.

Lease Liability

As at March 31, 2021

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Rent Lease Concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	15,977.38	6,147.24	1,008.76	1,718.12	5,644.23	432.51	16,757.24

As at March 31, 2020

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Office Premises	-	15,467.61	5,215.62	625.93	1,610.59	5,690.52	15,977.38

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2021

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Undiscounted Basis	Discounted Basis	Undiscounted Basis	Discounted Basis
Not later than one year	5,591.36	4,128.59	5,525.59	4,138.94
Later than one year but not later than five years	12,141.59	9,314.95	11,851.56	9,417.04
Later than 5 years	3,840.74	3,313.70	2,841.87	2,421.40
Total	**21,573.69**	**16,757.24**	**20,219.02**	**15,977.38**

Qualitative Disclosures - Lease Liability:

The leased building are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

24. PROVISIONS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
For Employee benefit		
- Gratuity	-	1,133.36
- Provision for compensated absences	2,413.52	2,761.66
For Others		
- Undrawn loan commitment	217.73	31.77
Total	**2,631.25**	**3,926.79**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 47.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
	Stage 1 Collective	Stage 1 Collective
Internal Rating Grade		
Performing		
High Grade	5,378.39	691.57
Total	**5,378.39**	**691.57**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Stage 1	Stage 1
Opening balance of outstanding exposure	**691.57**	**-**
New exposures	5,378.39	691.57
Exposures derecognised or matured/repaid (excluding write offs)	(691.57)	-
Closing balance of outstanding exposure	**5,378.39**	**691.57**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Stage 1	Stage 1
ECL allowance - opening balance	**31.77**	**-**
New exposures	217.73	31.77
Exposures derecognised or matured/repaid (excluding write offs)	(31.77)	-
ECL allowance - closing balance	**217.73**	**31.77**

25. OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	2,246.33	2,155.19
Retention money and other sundry liabilities	26.39	37.08
Total	**2,272.72**	**2,192.27**

26. EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
1,18,500,000 (March 31, 2020: 1,18,500,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2020: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Subscribed share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Paid up (fully paid up)		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**
Issued, Subscribed and fully paid up Equity Shares		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period

Particulars	No. of Shares	₹ in lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

26. EQUITY SHARE CAPITAL (Contd.)

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2021, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 33.00 (March 31, 2020 : ₹ 6.00). Out of the said total dividend proposed for the year ended March 31, 2021, amount of interim dividend paid during the year was ₹ 20.00 (March 31, 2020 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 13.00 (March 31, 2020: Nil) per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 77,870 (March 31, 2020 : 97,310) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.33%	1,34,21,889	20.34%
Piramal Enterprises Limited	65,79,840	9.97%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders/members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

27. OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 01, 2019	**1,75,492.24**
Add: Premium on shares issued under Employee Stock Option Plan	26.67
As at March 31, 2020	**1,75,518.91**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,75,524.19**
Share Option Outstanding	
As at April 01, 2019	**53.37**
Less: Adjustment on Exercise of Employee Stock Option Plan	(24.02)
As at March 31, 2020	**29.35**
Add: Expenses on Employee Stock Option Plan (Refer Note No. 38)	1,847.93
Less: Adjustment on Exercise of Employee Stock Option Plan	(4.76)
As at March 31, 2021	**1,872.52**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 01, 2019	**1,08,411.30**
Add: Amount transferred from Retained Earnings	20,020.00
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from Retained Earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Debenture Redemption Reserve (DRR)	
As at April 01, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16, 2019	(2,863.65)
As at March 31, 2020	**-**
Add: Amount transferred from Retained Earnings	-
Less: Amount transferred to General Reserve on redemption of debentures	-
As at March 31, 2021	**-**
General Reserve	
As at April 01, 2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,911.54
Add: Amount transferred from Debenture Redemption Reserve as DRR is not required vide MCA notification dated August 16, 2019	2,863.65
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from Retained Earnings	10,250.00
As at March 31, 2021	**1,11,374.46**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

27. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Capital Reserve	
As at April 01, 2019	**7,871.88**
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
Capital Redemption Reserve	
As at April 01, 2019	**2,328.98**
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
Other Comprehensive Income	
As at April 01, 2019	**(732.67)**
Remeasurement gain/ (loss) on defined benefit plan	(340.60)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	115.51
As at March 31, 2020	**(1,621.86)**
Remeasurement gain/ (loss) on defined benefit plan	1,178.74
Gain/(Loss) on Fair valuation of quoted investments in equity shares	768.97
Income Tax Provision/ (Reversal) on above	(632.84)
As at March 31, 2021	**(306.99)**
Retained Earnings	
As at April 01, 2019	**2,50,924.56**
Add: Profit for the year	1,00,052.00
Add/(Less): Appropriations and other Adjustments	
Transfer to Debenture Redemption Reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve	(20,020.00)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,00,512.26**
Add: Profit for the year	1,01,094.42
Add/(Less): Appropriations and other Adjustments	
Interim Equity Dividend FY 2020-21	(13,200.93)
Transfer to Statutory Reserve	(20,490.00)
Transfer to General reserve	(10,250.00)
As at March 31, 2021	**3,57,665.75**
Total other equity	
As at April 01, 2019	**6,32,533.22**
As at March 31, 2020	**7,14,195.28**
As at March 31, 2021	**8,05,252.09**

27. OTHER EQUITY (Contd.)

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2021: ₹ 13.00 (March 31, 2020: Nil) per share	8,580.65	-
Total	**8,580.65**	**-**

Nature and purpose of reserves

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Company may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. In respect of the debentures issued through public issue, the Company is not required to create DRR vide MCA notification dated August 16 ,2019. The Company has deposited a sum of Nil (March 31, 2020: Nil) with scheduled banks, as there are no debentures issued through public issue, which were due for redemption during the year.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

27. OTHER EQUITY (Contd.)

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order.

Provided that no such order shall be made unless the amount in te reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability/ asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 38 for further details of these plans.

28. INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on securities classified at FVTPL	Total
Interest on Loans	-	5,42,044.23	-	5,42,044.23	-	5,59,283.18	-	5,59,283.18
Interest income from investments	-	2,799.65	-	2,799.65	-	2,827.05	-	2,827.05
Interest on deposits with Banks								
- Margin money deposit	-	4,163.87	-	4,163.87	-	2,384.22	-	2,384.22
- Other deposits	-	8,144.84	-	8,144.84	-	5,221.38	-	5,221.38
Interest on Others	-	3.27	-	3.27	-	-	-	-
Total	**-**	**5,57,155.86**	**-**	**5,57,155.86**	**-**	**5,69,715.83**	**-**	**5,69,715.83**

29. FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from commission services	3,066.09	781.98
Income from collection services	236.97	571.45
Income from other services	1,301.56	-
Unwinding of financial guarantee obligation	117.13	15.65
Total	**4,721.75**	**1,369.08**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of Services or Service		
Fee and commission income	4,604.62	1,353.43
Total revenue from contract with customers	**4,604.62**	**1,353.43**
Geographical markets		
India	4,604.62	1,353.43
Outside India	-	-
Total revenue from contract with customers	**4,604.62**	**1,353.43**
Timing of revenue recognition		
Services transferred at a point in time	3,414.15	1,353.43
Services transferred over time	1,190.47	-
Total revenue from contracts with customers	**4,604.62**	**1,353.43**

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Net Trade Receivables	**229.99**	**89.76**
Contract Assets	-	-
Total	**229.99**	**89.76**

The Company does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

30. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	131.95	320.34
- Derivatives	-	(81.61)
Total Net gain/(loss) on fair value changes	**131.95**	**238.73**
Fair Value changes		
- Realised	-	1,309.64
- Unrealised	131.95	(1,070.91)
Total Net gain/(loss) on fair value changes	**131.95**	**238.73**

31. FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on						
Fixed Deposits	-	42,630.98	42,630.98	-	31,490.80	31,490.80
Subordinated liabilities	-	612.93	612.93	-	5,619.14	5,619.14
Borrowings (other than debt securities)						
- Loans from Banks	-	73,250.09	73,250.09	-	85,793.17	85,793.17
- Loans from Financial Institution/ NBFC	-	10,854.27	10,854.27	-	6,054.09	6,054.09
- Loans from Financial Institution/ NBFC-Securitisation	-	27,114.83	27,114.83	-	21,336.22	21,336.22
- Loans from Banks- Securitisation	-	4,295.51	4,295.51	-	1,208.38	1,208.38
- Working Capital Demand Loans	-	15,947.32	15,947.32	-	13,624.44	13,624.44
- Cash Credit	-	1,922.69	1,922.69	-	4,012.56	4,012.56
- Commercial Paper	-	35.67	35.67	-	7,327.90	7,327.90
Debt securities	-	34,839.48	34,839.48	-	35,874.20	35,874.20
Interest on Tax Liability	-	89.02	89.02	-	83.19	83.19
Interest on Defined Benefit Plans	-	77.52	77.52	-	10.18	10.18
Finance Cost on Lease liability		1,718.12	1,718.12	-	1,610.59	1,610.59
Total	**-**	**2,13,388.43**	**2,13,388.43**	**-**	**2,14,044.86**	**2,14,044.86**

32. IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	107.68	107.68	-	11,750.41	11,750.41
Others						
- Undrawn Commitments	-	185.96	185.96	-	31.77	31.77
- Trade receivables	-	6.27	6.27	-	3.36	3.36
- Assignment Receivables	-	(20.65)	(20.65)	-	62.32	62.32
- Investment Through PTC	-	6.47	6.47	-	-	-
Total	**-**	**285.73**	**285.73**	**-**	**11,847.86**	**11,847.86**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2021

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	4,441.80	5,470.43	(9,804.56)	-	-	107.68
Others						
- Undrawn Commitments	185.96	-	-	-	-	185.96
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	-	-	-	-	(20.65)	(20.65)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	**4,627.76**	**5,470.43**	**(9,804.56)**	**-**	**(7.91)**	**285.73**

Year ended March 31, 2020

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	24,764.15	(10,314.53)	(2,699.21)	-	-	11,750.41
Others						
- Undrawn Commitments	31.77	-	-	-	-	31.77
- Trade receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	-	-	-	-	62.32	62.32
Total impairment loss	**24,795.92**	**(10,314.53)**	**(2,699.21)**	**-**	**65.68**	**11,847.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

33. EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, other allowances and bonus	67,880.14	77,589.19
Contribution to provident and other funds	4,830.88	5,387.96
Staff welfare expenses	1,101.34	1,187.72
Gratuity expenses	705.78	602.23
Share based payments to employees	1,847.93	-
Total	**76,366.07**	**84,767.10**

34. DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	2,551.12	2,900.52
Amortisation of intangible assets	138.15	135.01
Amortisation on right of use assets	5,294.87	5,180.26
Total	**7,984.14**	**8,215.79**

35. OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Power and fuel	814.49	993.93
Repairs and maintenance		
- Buildings	1,108.89	1,197.71
-Office equipments	38.84	45.64
Office expenses	1,501.86	1,341.86
Rates and taxes	1,460.84	1,903.40
Printing and stationery	1,692.62	2,820.11
Travelling and conveyance	1,834.56	3,853.89
Advertisement	292.09	608.05
Business promotion	4,640.93	4,547.28
Directors' sitting fees	41.97	36.24
Insurance	436.69	403.37
Communication expenses	2,345.57	2,935.36
Bank charges	1,586.11	1,551.59
Legal and Professional Fees	1,159.24	1,085.24
Loss on sale of Property, plant and equipment	12.12	33.19
Public issue expenses for non-convertible debentures	-	0.83
CSR expenses	2,195.23	1,036.39
Miscellaneous expenses	1,045.03	1,843.87
Auditor fees		
(a) Audit Fees	39.57	39.57
(b) Tax Audit Fees	6.59	6.59
(c) Certification Fees	9.86	6.70
(d) Out of Pocket	0.58	9.21
Total	**22,263.68**	**26,300.02**

Details of CSR expenditure:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	2,617.31	2,281.33
b) Amount spent during the year	2,195.23	1,036.39
(On purposes Other than construction/acquisition of any asset)	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

36. INCOME TAX

The components of income tax expense for the year ended March 31, 2021 and year ended March 31, 2020 are:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	46,219.68	34,240.38
Income tax of earlier years	-	1,324.24
Deferred tax relating to origination and reversal of temporary differences	(8,375.35)	(116.52)
Total tax charge	**37,844.33**	**35,448.10**

Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	1,38,938.75	1,35,500.10
At India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	34,968.09	33,838.89
Tax at special rate on Capital Gain of Nil (March 31, 2020: ₹ 1,048.04 lacs @ 22.88%)	-	239.79
Total Tax	**34,968.09**	**34,078.69**
Corporate social responsibility expenditure not allowable for tax purpose	552.50	260.84
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(198.92)	(384.33)
Income tax of earlier year	-	1,324.24
Tax impact of Bonus payable to employees allowable on payment basis	1,035.22	415.71
Others	1,487.46	(247.05)
Income tax expense reported in the statement of profit or loss	**37,844.33**	**35,448.10**
Effective income tax rate %	27.24	26.16

Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at Amortised Cost	44.41	25.43	(113.69)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on Loans and Advances	292.82	-	144.28	-
Provision for Impairment of Financial Assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

36. INCOME TAX (Contd.)

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,722.57	-	470.77	-
Net Right to use Asset and future rent liability	123.33	-	(123.33)	-
Expenses allowable for tax purpose when paid	2,473.42	-	(249.48)	51.63
EIR impact on debt instrument measured at Amortised Cost	-	94.71	(313.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	437.10	-	540.62	-
Other temporary differences	224.57	29.49	(94.35)	-
Total	**5,222.66**	**149.89**	**(116.52)**	**(115.51)**

Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

Current Tax Assets (Net)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provision for tax) [provision for income tax March 31, 2021: ₹ 3,65,826.04 lacs March 31, 2020: ₹ 3,19,606.36 lacs]	4,502.79	13,069.56
Total	**4,502.79**	**13,069.56**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

37. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss (₹ in lacs) (A)	1,01,094.42	1,00,052.00
Weighted average number of equity shares for calculating basic earnings per share (₹ in lacs) (B)	660.04	659.97
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	1.54	0.13
Weighted average number of equity shares for calculating diluted earnings per share (₹ in lacs) (C)	661.58	660.10
Earnings per share		
Basic earnings per share (₹) (A/B)	153.16	151.60
Diluted earnings per share (₹) (A/C)	152.81	151.57

38. EMPLOYEE STOCK OPTION PLAN

38.1 EMPLOYEE STOCK OPTION PLAN (2006)

The Company provides share-based payment schemes to its Employees. There are two ongoing Employee stock option schemes:-

SCUF EMPLOYEE STOCK OPTION SCHEME 2006

38.1.1. This employee equity-settled compensation scheme known as Shriram City Union Finance Limited Employees Stock Option Scheme 2006 ("SCUF ESOP Scheme 2006" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extra Ordinary General Meeting held on October 30, 2006.

Under the said scheme the Board of Directors has granted following number of options to eligible employees of the Company.

Particulars	Grant Date	No of Options Granted
Series I	October 19, 2007	13,55,000

The option shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Year ended 31 March 2021		Year ended 31 March 2020	
	Weighted Average exercise price per share per option ₹	Number of Options	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	35	12,960	35	23,565
Granted during the period	-	-	-	-
Exercised during the period	35	2,100	35	10,605
Forfeited during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	35	10,860	35	12,960
Weighted average share price *	953.84	-	1,407.69	-
Weighted average remaining contractual life of options outstanding at the end of the year	-	0.55	-	1.55

* based on market price on National Stock Exchange Limited where maximum volume of the shares of the Company were traded during the year

38.1.2. Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Series I			
Grant Date	October 19, 2007	October 19, 2007	October 19, 2007	October 19, 2007
Vesting Date	10% of grant on October 19, 2008	20% of grant on October 19, 2009	30% of grant on October 19, 2010	40% of grant on October 19, 2011
Exercise Price (in ₹)	35	35	35	35
Fair value of option (in ₹)	227.42	227.42	227.42	227.42
Input Variables:				
Standard deviation (Volatility)	55.36%	55.36%	55.36%	55.36%
Risk-free rate	7.70%	7.67%	7.66%	7.67%
Time to maturity (in years)	1.5	2.5	3.5	4.5
Expected Dividend per annum (₹)	3	3	3	3
Dividend yield	0.84%	0.84%	0.84%	0.84%

38.2 EMPLOYEE STOCK OPTION PLAN (2013)

38.2.1 This employee equity-settled compensation scheme known as **Shriram City Union Finance Limited Employees Stock Option Scheme 2013** ("SCUF ESOP Scheme 2013" or the "Scheme"). The scheme is approved and authorised by the shareholders of the Company at the Extraordinary General Meeting held on May 31, 2013.

Under the said scheme the Nomination and Remuneration Committee of the Board of Directors has granted following number of options on various dates to eligible employees of the Company.

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Particulars	Grant Date	No. of Options Granted
Grant I	August 11, 2020	3,00,221
Grant II	November 2, 2020	3,00,030
Grant III	January 29, 2021	3,15,396

The options shall vest in the hands of the Option holder after a minimum period of 12 months from the date of grant of option or such longer period as may be determined by the Committee subject to the condition that the Option grantee continues to be an employee of the Company and the performance or other conditions as may be determined by the Committee. The maximum period of vesting shall be 5 years from the date of grant.

The options vested shall be exercised within period of ten years from the vesting date. When exercisable, each option is convertible into one equity share. Any option granted shall be exercisable according to the terms and conditions as determined by the Scheme.

Particulars	Year ended 31 March 2021	
	Weighted Average exercise price per share per option ₹	Number of Options
Outstanding at the beginning of the period	**-**	**-**
Granted during the period	300	9,15,647
Exercised during the period	-	-
Forfeited during the period	300	5,194
Expired during the period	-	-
Outstanding at the end of the period	**300**	**9,10,453**
Weighted average share price*	Not Applicable	Not Applicable
Weighted average remaining contractual life of options outstanding at the end of the year	-	10.6

* Weighted average share price disclosure is not applicable since share options are not exercised during the year.

All outstanding options are yet to be vested and as such are not exercisable as on March 31, 2021.

38.2.2 Fair value of the options granted:

The Company has recorded employee stock-based compensation expense relating to the options granted to the employees on the basis of fair value of options.

The fair value of the options granted is mentioned below as per vesting period. The fair value of the options is determined using Black-Scholes model which takes into account the exercise price, the term of the option (time to maturity), the share price as at the grant date and expected price volatility (standard deviation) of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

Fair value and assumptions for the equity-settled grants under the Scheme is as under;

Particulars	Grant I	Grant II	Grant III
Grant Date	11-Aug-20	2-Nov-20	29-Jan-21
Vesting Date	11-Aug-21	2-Nov-21	29-Jan-22
Exercise Price (in ₹)	300	300	300
Fair value of option (in ₹)	399.2	560.18	756.39
Input Variables:			
Share price as on grant date (in ₹)	661.8	822.75	1018.7
Standard deviation (Volatility)	38.28%	44.52%	47.21%
Risk-free rate	5.85%	5.88%	6.20%
Time to maturity (in years)	2	2	2
Expected Dividend per annum (in ₹)	20	25	30
Dividend yield	3%	3%	3%

38. EMPLOYEE STOCK OPTION PLAN (Contd.)

Since the SCUF ESOP scheme 2013 is already recorded by applying fair value method, the disclosure required under para 48 of guidance note on "Accounting for Employees Share Based Payments" issued by ICAI for reconciling the impact on net profit and earnings per share is not required.

38.2.3 Rationale for the variables used :

The variables used for calculating the fair values and their rationale are as follows:

A. Stock Price

The latest available closing market price on the National Stock Exchange (NSE) prior to date on which options are granted has been considered for the purpose of valuation.

Under the ESOP Plan of the Company, one option entitles an employee to one equity share of the Company.

B. Volatility

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.

The period to be considered for volatility must be adequate to represent a consistent trend in the price movements. Accordingly, the annualised volatility has been computed based on the share price data of past one year, from the date of the valuation.

The fair value is very sensitive to this variable. Higher the volatility, higher is the fair value. The rationale being, the more volatile a stock is, the more is its potential to go up (or come down), and the more is the probability to gain from the movement in the price. Accordingly, an option to buy a highly volatile stock is more valuable than the one to buy a less volatile stock, since the probability of gaining is lesser in the latter case.

C. Risk free interest rate

The risk-free interest rate being considered for the calculation is the interest rate applicable on government securities – having 10 year maturity period.

D. Exercise price

We have considered the exercise price of the options granted to employees based on the Scheme approved by the Board of Directors.

E. Time to maturity / expected life of options

Time to maturity / expected life of options is the period from the grant date to the date on which option is expected to be exercised. The minimum life of stock option is the minimum period before which the options cannot be exercised and maximum life is the period after which the options cannot be exercised.

Considering the deep discount on the market price i.e. 55% to 70%, it is expected that the options will be exercised in 1 year from the vesting date. As such the average expected life of options is considered at 2 years.

Effect of the employee share-based payment plans on the profit and loss account and on its financial position

The Company has recorded employee stock-based compensation cost of ₹ 1,847.93 lacs in the Statement of Profit and Loss for the year ended March 31, 2021 (March 31, 2020: Nil).

The share option outstanding in the Balance Sheet as at March 31, 2021 is ₹ 1,872.52 lacs (March 31, 2020: 29.35 lacs)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

39. INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2021	16,54,40,000	77.25%
				March 31, 2020	16,54,40,000	77.25%

40. RETIREMENT BENEFIT PLAN

Defined Contribution Plan

A defined contribution plan is a pension plan under which the Company pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The Company makes Provident Fund, Employee State Insurance Scheme contributions, National Pension scheme contributions and Labour welfare Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 3,745.45 lacs (March 31, 2020: ₹ 4,068.99 lacs) for Provident Fund contributions, ₹ 1,011.95 lacs (March 31, 2020: ₹ 1,235.21 lacs) for Employee State Insurance Scheme contributions, ₹ 11.88 lacs (March 31, 2020: ₹ 13.16 lacs) for Labour welfare Fund contributions and ₹ 50.20 lacs (March 31, 2020: ₹ 56.20 lacs) for National Pension scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 (the Act). Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and last drawn salary. The fund is managed by third party fund managers. Each year the level of funding in the gratuity plan is reviewed. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The contribution is decided based on the results of annual review. Generally, it aims to have a portfolio mix of equity instruments, property and debt instruments. Generally equity instruments and property should not exceed 30% of total portfolio. The Aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

Risk associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the following Risks:

Interest Risk: A fall in the discount rate which is linked to the Govt. Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of the Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality Risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

40. RETIREMENT BENEFIT PLAN (Contd.)

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Characteristics of defined benefit plans

During the year, there were no plan amendments, curtailments and settlements.

Compensated absences

The Company has a policy on compensated absences which is accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using Projected Unit Credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. The Company Recognised/(Reversed) expense amounting to ₹ (88.34) lacs (March 31, 2020: ₹641.42 lacs) for Leave encashment.

The Following Table Summarises the components of net benefit expense recognised in statement of profit and loss and funded status and amounts recognised in balance sheet for the gratuity plan.

Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amounts recognised in statement of profit and loss in respect of defined benefit plans are as follows :		
Current Service Cost	705.78	602.23
Interest expense	397.87	365.01
Interest Income	(320.35)	(354.82)
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss (A)	**783.30**	**612.41**
Remeasurement of gains/(losses) in other comprehensive income :		
Return on plan assets (excluding amounts included in net interest expense)	(63.24)	(16.35)
actuarial changes arising from changes in demographic assumptions	19.71	(12.69)
actuarial changes arising from changes in financial assumptions	(873.77)	170.48
Experience adjustments	(261.45)	199.17
Components of defined benefit costs recognised in other comprehensive income (B)	**(1,178.74)**	**340.61**
Total (A+B)	**(395.44)**	**953.02**

Movement in the present value of the defined benefit obligation are as follows :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Change in the obligation during the year ended		
Present value of defined obligation at the beginning of the year	5,816.83	4,809.03
Expenses recognised in the statement of profit and loss:		
Current Service Cost	705.78	602.23
Interest expense/(income)	397.87	365.01
Recognised in other comprehensive income remeasurement (gains)/Loss.	(1,115.50)	356.95
Past service cost	-	-
Net Liabilities transferred out/ Divestments	(13.48)	46.21
Benefits paid from the fund	(389.47)	(362.60)
Present value of defined obligation at the end of the year	**5,402.03**	**5,816.83**

40. RETIREMENT BENEFIT PLAN (Contd.)

Change in the Fair value of plan assets :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	**4,683.46**	**4,674.89**
Interest Income	320.35	354.82
Contributions by the Employer	2,200.00	-
Benefits paid from the fund	(389.47)	(362.60)
Return on plan assets excluding interest income	63.24	16.35
Fair value of plan assets at the end of the year	**6,877.58**	**4,683.46**

Calculation of benefit liability/(asset) :

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	5,402.03	5,816.83
Fair value of plan assets	6,877.58	4,683.46
Benefit liability/ (Deposit with Gratuity Fund in excess of obligation)	**(1,475.55)**	**1,133.37**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on Plan assets	6.86%	6.84%
Rate of discounting	6.86%	6.84%
Expected rate of salary increase	5.00%	0% p.a for the next 1 year and 7% p.a. thereafter starting from the 2nd year
Rate of employee turnover	For service 4 years and below 27.00% p.a. For service 5 years and above 4.00% p.a	For service 4 years and below 29.00% p.a & For service 5 years and above 3.00% p.a
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality rate after employment	N.A	NA

Investments quoted in active markets:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Funds	6,877.58	4,683.47
Total	**6,877.58**	**4,683.47**

40. RETIREMENT BENEFIT PLAN (Contd.)

Sensitivity Analysis

₹ in lacs

Assumptions	Discount rate		Future salary increases		Attrition rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation for FY 20-21	(486.79)	576.72	576.14	(494.25)	87.75	(101.62)
Impact on defined benefit obligation for FY 19-20	(642.39)	778.40	766.43	(598.93)	(20.35)	22.26

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Maturity Analysis of Benefit Payments from the fund

₹ in lacs

Expected payment for future years	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	534.59	587.01
2nd following Year	338.26	223.96
3rd following Year	383.74	243.53
4th following Year	356.07	289.35
5th following Year	351.25	282.91
sum of years 6 to 10	1,724.74	1,480.38
sum of years 11 and above	9,052.02	13,404.36
Total expected payments (Undiscounted)	**12,740.68**	**16,511.51**

The Company not required to contribute to the fund in the next financial year.

The weighted average duration of the defined benefit obligation as at March 31, 2021 is 11 years (March 31, 2020: 14 years)

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,81,528.17	-	3,81,528.17	2,09,182.78	-	2,09,182.78
Bank Balance other than above	1,22,953.17	16,954.95	1,39,908.12	97,053.53	-	97,053.53
Receivables						
- Trade Receivables	229.99	-	229.99	89.76	-	89.76
- Other Receivables	-	-	-	-	-	-
Loans	15,34,058.56	12,07,953.08	27,42,011.64	14,05,728.59	12,55,524.37	26,61,252.96
Investments	66,946.31	34,785.93	1,01,732.24	39,350.11	34,063.86	73,413.97
Other financial assets	874.43	3,379.00	4,253.43	3,513.35	3,830.33	7,343.68
Non-financial Assets						
Current tax asset	-	4,502.79	4,502.79	-	13,069.56	13,069.56
Deferred tax assets (net)	-	12,815.28	12,815.28	-	5,072.77	5,072.77
Property, plant and equipment	-	6,437.72	6,437.72	-	7,241.02	7,241.02
Other intangible assets	-	204.44	204.44	-	193.18	193.18
Right of Use Assets	-	15,618.41	15,618.41	-	15,487.33	15,487.33
Other non financial assets	1,597.74	10,157.99	11,755.73	165.21	7,859.25	8,024.46
Total assets	**21,08,188.37**	**13,12,809.59**	**34,20,997.96**	**17,55,083.33**	**13,42,341.67**	**30,97,425.00**
Liabilities						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-	18.90	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,729.05	-	6,729.05	6,077.83	-	6,077.83
Debt Securities	1,79,481.81	2,46,881.19	4,26,363.00	1,57,961.69	2,88,865.96	4,46,827.65
Borrowings (other than debt securities)	9,73,788.98	6,03,490.16	15,77,279.14	8,14,152.90	6,30,472.66	14,44,625.56
Deposits	1,62,962.13	3,89,926.65	5,52,888.78	1,21,486.63	2,79,720.17	4,01,206.80
Subordinated Liabilities	-	-	-	23,923.91	-	23,923.91
Other Financial liabilities	24,205.29	16,757.24	40,962.53	31,754.11	16,094.51	47,848.62
Non-financial Liabilities						
Provisions	2,631.25	-	2,631.25	1,603.89	2,322.90	3,926.79
Other non-financial liabilities	2,272.72	-	2,272.72	2,187.45	4.82	2,192.27
Total Liabilities	**13,52,090.13**	**12,57,055.24**	**26,09,145.37**	**11,59,148.41**	**12,17,481.02**	**23,76,629.43**
Net	**7,56,098.24**	**55,754.35**	**8,11,852.59**	**5,95,934.92**	**1,24,860.65**	**7,20,795.57**

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2020-21

₹ in lacs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.21
- NCD Institutional	3,61,872.22	(18,596.05)	-	(3,837.38)	3,39,438.79
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	7,89,133.69	(23,096.74)	-	(3,510.79)	7,62,526.16
- Term Loan from Institution	64,040.47	2,00,077.41	-	(186.93)	2,63,930.95
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Cash Credit from Banks	48,037.90	(12,190.33)	-	-	35,847.57
- Working Capital Demand Loans	1,54,488.98	22,026.36	-	-	1,76,515.34
- Term Loan from Bank- Securitisation	58,553.69	(20,225.24)	-	277.53	38,605.98
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**23,16,583.92**	**2,47,324.45**	**-**	**(7,377.45)**	**25,56,530.92**

* Represents adjustments on account of processing fees and other transaction cost.

Changes in liabilities arising from financing activities during FY 2019-20

₹ in lacs

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
- NCD Public Issue	11,377.17	75,282.55	-	(1,704.29)	84,955.43
- NCD Institutional	3,57,312.77	6,585.83	-	(2,026.38)	3,61,872.22
Subordinated Liabilities					
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities					
- Term Loan from Banks	9,55,771.26	(1,65,566.62)	-	(1,070.95)	7,89,133.69
- Term Loan from Institution	30,593.06	33,593.25	-	(145.84)	64,040.47
- Commercial paper	1,78,583.47	(1,67,419.14)	-	-	11,164.33
- Cash Credit from Banks	1,58,186.86	(1,10,148.96)	-	-	48,037.90
- Working Capital Demand Loans	76,685.16	77,803.82	-	-	1,54,488.98
- Term Loan from Bank- Securitisation	-	59,507.38	-	(953.69)	58,553.69
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits					
- Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
- Recurring deposits	-	-	-	-	-
Total	**22,60,148.84**	**67,272.16**	**-**	**(10,837.08)**	**23,16,583.92**

* Represents adjustments on account of processing fees and other transaction cost.

43. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
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	-	2,500.00
Total	**8,395.69**	**10,895.69**

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.

The Company has issued a guarantee of Nil (March 31, 2020 : ₹ 2,500 lacs) for refinance obtained by subsidiary, Shriram Housing Finance Limited from NHB.

(B) Commitments not provided for

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	295.37
b. Commitments related to loans sanctioned but undrawn	5,378.39	691.57

44. RELATED PARTY DISCLOSURES

Relationship		Name of the party
(i) Enterprises having significant influence over the Company	:	Shriram Capital Limited (SCL)
		Shriram Ownership Trust (SOT)
		Dynasty Acquisition FPI Limited (DAFL)
(ii) Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii) Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
		Shriram Asset Management Company Limited (SAMCL)
		Shriram Credit Company Limited (SCCL)
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
		Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
		Shriram Fortune Solutions Limited (SFSL)
		Shriram General Insurance Company Limited (SGICL)
		Shriram Insight Share Brokers Limited (SISBL)
		Shriram Life Insurance Company Limited (SLICL)
		Shriram Overseas Investments Private Limited (SOIPL)
		Shriram Wealth Advisors Limited (SWAL)
		Shriram Value Services Limited (SVSL)
		Bharath Investments Pte. Limited, Singapore (BIPL)
		SGI Philippines General Insurance Co. Inc. (SGIPGICI)
		Novac Technology Solutions Private Limited (NTSPL)
		Novac Digital Services Private Limited (formerly Techfactory Services Private Limited.) (NDSPL)
		Snottor Technology Services Private Limited
		SEA Funds Management India Private Limited
		Way2wealth Insurance Brokers Private Limited
		Way2wealth Securities Private Limited
		Way2wealth Brokers Private Limited
		Way2wealth Commodities Private Limited
(iv) Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director (Appointed w.e.f July 01, 2019)
		Sri R Duruvasan, Director (Ceased from Managing Director w.e.f June 30, 2019)
		Sri Debendranath Sarangi, Chairperson
		Sri C R Muralidharan, Director (Ceased w.e.f October 08, 2020)
		Sri Diwakar Bhagwati Gandhi, Director (Appointed w.e.f April 01, 2019)
		Sri Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. July 29, 2019)
		Smt Maya S Sinha, Director
		Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f April 01, 2019)
		Sri Ranvir Dewan, Director (Ceased w.e.f. December 02, 2019)
		Sri Shashank Singh, Director
		Sri Venkataraman Murali, Director (Reappointed w.e.f April 01, 2019)
		Sri R Chandrasekar, Chief Financial Officer
		Sri C R Dash, Company Secretary
		Sri Ignatius Michael Viljoen, Director (Appointed w.e.f July 29, 2019)

44. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
(v) Relatives of Key Management Personnel	:	Relatives of Sri R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f June 30, 2019)
		Late Sri Ayneni Ramachandra Naidu (Father)
		Late Smt Ayneni Ammayamma (Mother)
		Smt A Komaleeswari (Spouse)
		Sri Ayneni Vamshi Krishna (Son)
		Sri R Perumal (Brother)
		Smt P Padmaja (Brother's Wife)
		Smt S Usha Rani (Sister)
		Sri R Selvam (Sister's Husband)
		Relatives of Sri Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f July 01, 2019)
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Smt Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)

*- The Company neither holds any shares in the above entities nor these entities hold any shares in the Company except Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries/ associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2021.

44. RELATED PARTY DISCLOSURES (Contd.)

Related party transactions during the year

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payments/Expenses										
Royalty to SOT	-	3,246.30	-	-	-	-	-	-	-	3,246.30
Royalty to SVSL	-	-	-	-	6,254.89	3,170.84	-	-	6,254.89	3,170.84
Commission & Other expenses- SFPSPL	-	-	-	-	3,037.05	2,311.44	-	-	3,037.05	2,311.44
Commission & Other expenses- SFSL	-	-	-	-	3,610.18	2,800.01	-	-	3,610.18	2,800.01
Commission & Other expenses- SISBL	-	-	-	-	135.59	59.39	-	-	135.59	59.39
Commission & Other expenses- SWAL	-	-	-	-	3.59	-	-	-	3.59	-
Interest Expenses- SFPSPL	-	-	-	-	95.24	54.57	-	-	95.24	54.57
Interest Expenses- SLICL	-	-	-	-	603.84	423.72	-	-	603.84	423.72
Interest Expenses - SAMCL	-	-	-	-	63.01	5.05	-	-	63.01	5.05
Insurance - SGICL	-	-	-	-	435.22	402.08	-	-	435.22	402.08
Insurance - SLICL	-	-	-	-	486.39	577.91	-	-	486.39	577.91
IT Services & Other expenses- SVSL	-	-	-	-	-	1,339.39	-	-	-	1,339.39
Professional Charges to NTSPL	-	-	-	-	5,461.61	3,812.26	-	-	5,461.61	3,812.26
Reimbursement of Rent and other expenses-SCL	0.13	14.61	-	-	-	-	-	-	0.13	14.61
Fees to SCL	1,934.36	1,842.24	-	-	-	-	-	-	1,934.36	1,842.24
Rent and other expenses to SHFL	-	-	86.38	326.60	-	-	-	-	86.38	326.60
Payment for Assignment to SHFL	-	-	2,550.74	1,137.74	-	-	-	-	2,550.74	1,137.74
Payments to Key Managerial Personnel (MD, CFO & CS)										
Short–term employee benefits	-	-	-	-	-	-	168.50	165.12	168.50	165.12
Post–employment pension (defined contribution)	-	-	-	-	-	-	24.81	29.90	24.81	29.90
Other long term employee benefits	-	-	-	-	-	-	6.91	46.56	6.91	46.56
Directors Sitting Fees	-	-	-	-	-	-	41.97	36.24	41.97	36.24
Equity dividend to SCL	4,474.32	4,921.75	-	-	-	-	-	-	4,474.32	4,921.75
Equity dividend to DAFL	2,684.38	2,952.82	-	-	-	-	-	-	2,684.38	2,952.82

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Equity dividend to SFVPL	-	-	-	-	97.68	3.63	-	-	97.68	3.63
Equity dividend to KMP	-	-	-	-	-	-	1.63	1.80	1.63	1.80
Receipts/Income										
Reimbursement of expenses from SHFL	-	-	11.32	15.35	-	-	-	-	11.32	15.35
Receipt for Assignment from SHFL	-	-	-	9,784.26	-	-	-	-	-	9,784.26
Commission- SGICL	-	-	-	-	596.18	247.82	-	-	596.18	247.82
Commission - SLICL	-	-	-	-	1,570.40	458.26	-	-	1,570.40	458.26
Interest income from Financial Guarantee-SHFL	-	-	117.13	15.65	-	-	-	-	117.13	15.65
Rent Income - SFSL	-	-	-	-	14.61	15.06	-	-	14.61	15.06
Rent Income - SISBL	-	-	-	-	2.63	4.50	-	-	2.63	4.50
Rent Income - SLICL	-	-	-	-	-	3.69	-	-	-	3.69
Rent Income - SHFL	-	-	40.36	45.83	-	-	-	-	40.36	45.83
Collection Fees Income - SHFL	-	-	1.02	0.34	-	-	-	-	1.02	0.34
Electricity, Telephone and other charges Received										
Expenses reimbursement -SFSL	-	-	-	-	8.06	8.16	-	-	8.06	8.16
Expenses reimbursement -SISBL	-	-	-	-	1.89	1.56	-	-	1.89	1.56
Expenses reimbursement -SLICL	-	-	-	-	1.22	1.92	-	-	1.22	1.92
Balance outstanding as at										
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	-	-	48.84	1.65	-	-	48.84	1.65
Share Capital held by KMP	-	-	-	-	-	-	0.82	0.82	0.82	0.82
Interim Dividend Payable to SCL	2,237.16	-	-	-	-	-	-	-	2,237.16	-
Interim Dividend Payable to DAFL	1,342.19	-	-	-	-	-	-	-	1,342.19	-
Interim Dividend Payable to SFVPL	-	-	-	-	48.84	-	-	-	48.84	-
Interim Dividend Payable to KMP	-	-	-	-	-	-	0.82	-	0.82	-
Outstanding Payable to SCL	-	5.78	-	-	-	-	-	-	-	5.78

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Company		Subsidiary Company		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Investment in Shares (including deemed investment) of SHFL	-	-	16,727.91	16,727.91	-	-	-	-	16,727.91	16,727.91
Security deposits with SHFL	-	-	-	275.32	-	-	-	-	-	275.32
Expenses Payable to SHFL	-	-	46.69	47.32	-	-	-	-	46.69	47.32
Receivable from SHFL	-	-	21.20	24.74	-	-	-	-	21.20	24.74
Royalty Payable to SVSL	-	-	-	-	1,641.31	1,554.29	-	-	1,641.31	1,554.29
Expenses payable to SCL	-	456.34	-	-	-	-	-	-	-	456.34
Expenses Payable to SFPSPL	-	-	-	-	269.39	80.48	-	-	269.39	80.48
Expenses Payable to SFSL	-	-	-	-	306.60	211.83	-	-	306.60	211.83
Expenses Payable to SISBL	-	-	-	-	8.13	4.39	-	-	8.13	4.39
Expenses Payable to SVSL	-	-	-	-	21.83	1.15	-	-	21.83	1.15
Expenses Payable to NTSPL	-	-	-	-	191.28	11.78	-	-	191.28	11.78
Expenses Payable to SLICL	-	-	-	-	4.36	0.03	-	-	4.36	0.03
Expenses Payable to SWAL	-	-	-	-	1.59	-	-	-	1.59	-
Outstanding Payable to SAMCL	-	-	-	-	1,052.63	153.47	-	-	1,052.63	153.47
Outstanding Payable to SFPSPL	-	-	-	-	1,044.40	1,034.77	-	-	1,044.40	1,034.77
Outstanding Payable to SLICL	-	-	-	-	6,537.11	6,444.54	-	-	6,537.11	6,444.54
Receivable from SFSL	-	-	-	-	0.16	-	-	-	0.16	-
Receivable from SGICL	-	-	-	-	33.26	86.90	-	-	33.26	86.90
Receivable from SISBL	-	-	-	-	-	1.00	-	-	-	1.00
Receivable from SLICL	-	-	-	-	102.25	0.68	-	-	102.25	0.68
Receivable from NTSPL	-	-	-	-	0.40	0.32	-	-	0.40	0.32
Receivable from SFPSPL	-	-	-	-	31.78	32.36	-	-	31.78	32.36
Receivable from SVSL	-	-	-	-	23.91	30.56	-	-	23.91	30.56

45. CAPITAL

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the company ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Company has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards"

₹ in lacs

Regulatory capital	As at March 31, 2021*	As at March 31, 2020*
Tier 1 Capital	7,30,641.50	6,78,676.35
Tier 2 Capital	-	-
Total capital funds	**7,30,641.50**	**6,78,676.35**
Risk weighted assets	**25,51,149.04**	**24,50,549.66**
Tier 1 capital ratio	28.64%	27.69%
Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**28.64%**	**27.69%**

*calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

46. FAIR VALUE MEASUREMENT

46.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 46.3.

46. FAIR VALUE MEASUREMENT (Contd.)

46.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Total financial assets held for trading	**9,686.10**	**434.03**	**-**	**10,120.13**
Total assets measured at fair value on a recurring basis	**9,686.10**	**434.03**	**-**	**10,120.13**

As at March 31, 2020

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	302.08	-	302.08
Equity instruments	8,917.14	-	-	8,917.14
Total financial assets held for trading	**8,917.14**	**302.08**	**-**	**9,219.22**
Total assets measured at fair value on a recurring basis	**8,917.14**	**302.08**	**-**	**9,219.22**

46.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Company classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Company requires significant unobservable inputs to calculate their fair value.

46. FAIR VALUE MEASUREMENT (Contd.)

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in Lacs

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	**-**	**80.04**
Purchases	-	-
Sales	-	(1,252.24)
Issuances	-	-
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	1,172.20
Other comprehensive income	-	-
Closing Balance	**-**	**-**
Unrealised gains and losses related to balances held at the end of the year	**-**	**-**

46.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Company's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2021	As at March 31, 2021		
Equity Instruments	-	-	NA	NA

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

46.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Company is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

46. FAIR VALUE MEASUREMENT (Contd.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	-	-

46.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,81,528.17	3,81,528.17	-	-	3,81,528.17
Bank balance other than cash and cash equivalents	1,39,908.12	1,39,908.12	-	-	1,39,908.12
Trade Receivables	229.99	-	-	229.99	229.99
Loans	27,42,011.64	-	-	27,34,662.77	27,34,662.77
Investments	91,612.11	75,386.89	43,687.54	154.53	1,19,228.96
Other financial assets	4,253.43	-	-	4,253.43	4,253.43
Total financial assets	**33,59,543.46**	**5,96,823.18**	**43,687.54**	**27,39,300.72**	**33,79,811.44**
Financial liabilities:					
Other Payables	6,747.95	-	-	6,747.95	6,747.95
Debt securities	4,26,363.00	-	4,50,674.44	-	4,50,674.44
Borrowings (other than debt securities)	15,77,279.14	-	16,11,444.38	-	16,11,444.38
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	40,962.53	-	-	40,962.53	40,962.53
Total financial liabilities	**26,04,241.40**	**-**	**20,62,118.82**	**6,09,100.55**	**26,71,219.37**

₹ in lacs

As at March 31, 2020	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	2,09,182.78	2,09,182.78	-	-	2,09,182.78
Bank balance other than cash and cash equivalents	97,053.53	97,053.53	-	-	97,053.53
Trade Receivables	89.76	-	-	89.76	89.76
Loans	26,61,252.96	-	-	26,98,555.01	26,98,555.01
Investments	64,194.75	48,166.31	38,739.91	-	86,906.22
Other financial assets	7,343.68	-	-	7,343.68	7,343.68
Total financial assets	**30,39,117.46**	**3,54,402.62**	**38,739.91**	**27,05,988.45**	**30,99,130.98**
Financial liabilities:					
Other Payables	6,077.83	-	-	6,077.83	6,077.83
Debt securities	4,46,827.65	-	4,17,301.02	-	4,17,301.02
Borrowings (other than debt securities)	14,44,625.56	-	14,54,280.78	-	14,54,280.78
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	47,848.62	-	-	47,848.62	47,848.62
Total financial liabilities	**23,70,510.37**	**-**	**18,71,581.80**	**4,69,382.55**	**23,40,964.36**

46. FAIR VALUE MEASUREMENT (Contd.)

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

46.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: Cash and cash equivalents, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 / Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Company uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Company's own credit risk. The Company estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

47. RISK MANAGEMENT

Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

47.1 Introduction and Risk Profile

47.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee which is responsible for monitoring the overall risk process within the Company.

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit and Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Company's policy is that risk management processes throughout the Company are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit and Risk Management Committee.

47.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Company can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

47.1.3 Risk measurement and reporting systems

The Company's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Company's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit and Risk Management Committee and the head of each department. The Audit and Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Company.

It is the Company's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Company is exposed to that they decide to take on. The Company's continuous training and development emphasises that employees are made aware of the Company's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Company's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

47. RISK MANAGEMENT (Contd,)

47.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

47.2 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. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Company. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Company's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 89 dpd
Non-performing	90+ dpd

47.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Company is also exposed to a settlement risk, being the risk that the Company honours its obligation, but the counterparty fails to deliver the counter value.

47.2.2 Impairment assessment

47.2.2.1 Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

47. RISK MANAGEMENT (Contd.)

- The borrower requesting emergency funding from the Company
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Company
- The debtor (or any legal entity within the debtor's Company) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

47.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Company. While arriving at the PD, the Company also ensures that the factors that affects the macro economic trends are considered to a reasonable extent, wherever necessary. Company calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied.

47.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

47.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any security.

47.2.2.5 Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Company may also consider that events explained in Note 47.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Company of similar assets (as set out in Note 47.2.2.6), the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

47.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note dependant on the factors below, the Company calculates ECLs only on a collective basis

The Company segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans

47. RISK MANAGEMENT (Contd.)

4. Two wheeler Loans
5. Personal Loans
6. Pre-Owned Two wheeler Loans
7. Loan against Property

47.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was ₹ 3,172.52 lacs (March 31, 2020 ₹ 3,597.57 lacs)

Credit risk exposure analysis

₹ in lacs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	25,25,387.95	2,33,532.22	1,86,673.00	-	29,45,593.17
Repossessed	-	-	925.74	-	925.74
Total	**25,25,387.95**	**2,33,532.22**	**1,87,598.75**	**-**	**29,46,518.91**

₹ in lacs

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	24,71,361.98	1,67,996.84	2,24,452.51	-	28,63,811.33
Repossessed	-	-	1,841.22	-	1,841.22
Total	**24,71,361.98**	**1,67,996.84**	**2,26,293.73**	**-**	**28,65,652.55**

47.3 Liquidity risk and funding management

In assessing the company's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month.

Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

47.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

47. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	4,05,001.51	43,018.16	59,383.92	8,437.88	-	11,496.79	5,27,338.27
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,76,885.05	5,16,803.01	9,06,981.76	11,51,823.98	2,94,938.49	2,07,401.26	36,54,833.54
Financial investments at amortised cost	298.62	81.18	68,379.79	9,537.99	12.26	115.33	78,425.15
Financial investments at FVTPL	434.03	-	-	-	-	-	434.03
Financial investments at FVTOCI	-	-	-	-	-	9,686.10	9,686.10
Financial investments at Cost	45.07	40.46	56.53	25.96	-	16,727.91	16,895.93
Other Financial Assets	340.71	199.71	366.81	1,595.63	1,933.32	486.29	4,922.47
Total undiscounted financial assets	**9,83,234.97**	**5,60,142.51**	**10,35,168.81**	**11,71,421.43**	**2,96,884.07**	**2,45,913.68**	**42,92,765.47**
Financial liabilities							
Other Payables	6,747.95	-	-	-	-	-	6,747.95
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.97
Debt securities	48,467.18	7,489.20	84,368.20	3,09,489.80	30,158.64	23,709.02	5,03,682.05
Borrowings (other than debt securities)	4,09,739.67	3,02,999.91	3,52,090.07	5,62,057.46	1,16,405.59	1,709.23	17,45,001.93
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	19,959.70	-	4,245.59	-	-	16,757.24	40,962.53
Total undiscounted financial liabilities	**5,16,795.91**	**3,52,719.83**	**5,37,341.81**	**12,02,409.83**	**2,98,006.57**	**42,175.48**	**29,49,449.43**
Net undiscounted financial assets/ (liabilities)	**4,66,439.06**	**2,07,422.69**	**4,97,827.00**	**(30,988.39)**	**(1,122.50)**	**2,03,738.19**	**13,43,316.05**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							
Cash and cash equivalents and Other Bank Balances	2,13,548.88	18,699.40	78,479.42	-	-	-	3,10,727.69
Trade Receivables	89.76	-	-	-	-	-	89.76
Loans	4,94,033.84	5,28,052.99	8,28,557.77	11,75,523.91	3,75,962.40	1,72,582.72	35,74,713.63
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	51,184.00
Financial investments at FVTPL	302.08	-	-	-	-	-	302.08
Financial investments at FVTOCI	-	-	-	-	-	8,917.14	8,917.14
Financial investments at Cost	-	-	-	-	-	16,727.91	16,727.91
Other Financial Assets	382.49	351.92	2,869.34	1,660.14	2,107.73	679.13	8,050.74
Total undiscounted financial assets	**7,21,151.86**	**5,47,185.48**	**9,37,786.31**	**11,78,703.21**	**3,86,854.66**	**1,99,031.42**	**39,70,712.95**
Financial liabilities							
Other Payables	6,077.83	-	-	-	-	-	6,077.83
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	4,71,685.42
Debt securities	78,272.58	11,867.35	88,225.16	3,08,519.19	29,099.26	-	5,15,983.54
Borrowings (other than debt securities)	3,00,593.32	2,33,027.39	3,86,677.48	6,17,955.12	66,346.76	379.27	16,04,979.35
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	24,584.54
Other Financial Liabilities	26,722.84	51.01	4,980.25	-	-	16,094.52	47,848.62
Total undiscounted financial liabilities	**4,51,315.66**	**2,89,550.02**	**5,40,558.88**	**11,89,232.42**	**1,77,950.69**	**16,473.79**	**26,65,081.47**
Net undiscounted financial assets/ (liabilities)	**2,69,836.20**	**2,57,635.46**	**3,97,227.43**	**(10,529.21)**	**2,08,903.97**	**1,82,557.63**	**13,05,631.47**

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments: Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2021							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	-	-	-	-	-	302.41
Commitments related to loans sanctioned but undrawn	5,378.39	-	-	-	-	-	5,378.39
Total commitments	**5,680.80**	**-**	**-**	**-**	**-**	**8,395.69**	**14,076.49**

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31, 2020							
In respect of Income tax demands where the Company has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Company has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	-	-	2,500.00	2,500.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	-	-	-	-	-	295.37
Commitments related to loans sanctioned but undrawn	691.57	-	-	-	-	-	691.57
Total commitments	**986.94**	**-**	**-**	**-**	**-**	**10,895.69**	**11,882.63**

47. RISK MANAGEMENT (Contd.)

47.4 Market Risk

Market risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Company's exposure to changes in interest rates relates to the Company's outstanding floating rate liabilities. Most of the Company's outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Company are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The sensitivity of the Company's floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,62,526.16	96,649.79	(77,037.37)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	**10,26,457.11**	**1,35,195.17**	**(1,06,662.61)**

As at March 31, 2020

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	7,89,133.69	90,522.69	(73,574.44)
Term Loans - Financial Institution	64,040.47	7,092.15	(5,787.33)
Total floating rate borrowings	**8,53,174.16**	**97,614.84**	**(79,361.76)**

Fair value sensitivity analysis for fixed rate instruments

The Company's fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

48. Based on the intimation received by the Company, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	18.90	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

49. LIQUIDITY COVERAGE RATIO DISCLOSURE

Disclosure as per the circular no RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 issued by Reserve Bank of India on "Liquidity Coverage ratio (LCR)"

₹ in lacs

Sr. No	Particulars	As at March 31, 2021		As at December 31, 2020	
		Total Unweighted Value (average)*	Total weighted Value (average)#	Total Unweighted Value (average)*	Total weighted Value (average)#
High Quality Liquid Assets					
1	Total High Quality Liquid Assets (HQLA)	4,19,389.93	4,00,965.68	2,97,375.17	2,81,569.73
Cash Outflows					
2	Deposits (for deposit taking companies)	10,803.11	12,423.58	10,348.44	11,900.70
3	Unsecured wholesale funding	-	-		-
4	Secured wholesale funding	1,11,367.46	1,28,072.58	79,234.25	91,119.39
5	Additional requirements, of which	-	-	-	-
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-
6	Other contractual funding obligations	26,221.41	30,154.63	26,875.59	30,906.93
7	Other contingent funding obligations	3,664.00	4,213.60	2,015.35	2,317.66
8	**TOTAL CASH OUTFLOWS**	**1,52,055.98**	**1,74,864.38**	**1,18,473.63**	**1,36,244.67**
Cash Inflows					
9	Secured lending	-	-	-	-
10	Inflows from fully performing exposures	1,86,668.34	1,40,001.25	1,79,528.97	1,34,646.73
11	Other cash inflows	300.13	225.10	304.17	228.13
12	**TOTAL CASH INFLOWS**	**1,86,968.47**	**1,40,226.35**	**1,79,833.14**	**1,34,874.86**

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

49. LIQUIDITY COVERAGE RATIO DISCLOSURE (Contd.)

₹ in lacs

Sr. No	Particulars	Total Adjusted value As at March 31, 2021	Total Adjusted value As at December 31, 2020
13	TOTAL HQLA	4,00,965.68	2,81,569.73
14	TOTAL NET CASH OUTFLOWS	43,716.10	34,061.17
15	LIQUIDITY COVERAGE RATIO (%)	917.20%	826.66%

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflows and outflows.

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset sise of ₹ 10,000 crore and above, and all deposit taking NBFCs irrespective of their asset sise, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1, 2020 with the minimum HQLAs to be held being 50% of the LCR, progressively reaching a level upto 60%. 70%, 85% and 100% by December 1, 2021, December 1, 2022, December 1, 2023, December 1, 2024 respectively.

Liquidity Coverage Ratio (LCR) ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator.

The average LCR is computed at as simple averages of monthly observations over the previous quarter (ie. average of three months ie. January 2021, February 2021 and March 2021 for the quarter ended March 31, 2021 and average of three months ie. October 2020, November 2020 and December 2020 for the quarter ended December 31, 2020)

The Company, as at March 31, 2021, had maintained average HQLA (after haircut) of ₹ 4,00,965.68 lacs against ₹ 2,81,569.73 lacs for the quarter ended December 31, 2020. HQLA primarily includes cash on hand, bank balances in current account and demand deposits with Schedule Commercial Banks, Treasury Bills and Government securities (such unencumbered approved securities held as per the provisions of section 45 IB of RBI Act, is reckoned as HQLA only to the extent of 80% of the required holding).

The Company has implemented the LCR framework and has maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2021 was 917.20% which is above the regulatory requirement of 50%. For the quarter ended December 31, 2020 average LCR was stood at 826.66%.

50. The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

51. Expenditure in foreign currency : ₹ 623.25 lacs (March 31, 2020: Nil).

52. The Company had no discontinuing operations during the year ended March 31, 2021.

53. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

54. In accordance with the Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 dated August 25, 2016, the Company has created a floating charge on the statutory liquid assets comprising of investment in government securities, treasury bills & deposit (face value) to the extent of ₹ 8,200 lacs, ₹ 65,695.83 lacs and ₹ 21,000 lacs respectively (March 31, 2020 ₹ 20,200 lacs, ₹ 26,205.11 lacs and ₹ 19,988.99 lacs respectively) in favour of trustees representing the public deposit holders of the Company.

55. DISCLOSURE ON LOAN AGAINST GOLD AS ON MARCH 31, 2021 VIDE RBI NOTIFICATION DNBS.CC.PD. NO.265/03.10.01/2011-12 DATED MARCH 21, 2012

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Asset under Management	29,46,518.91	28,65,652.55
Total Loan against Gold	3,78,882.88	3,11,888.26
Percentage of Gold Loan on Total Assets (On Book)	12.86%	10.88%

56. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	3,44,849.01	3,60,074.75
Carrying amount of associated liabilities (Borrowings (other than debt securities) - measured at amortised cost)	3,38,459.12	3,77,760.19
Fair value of assets	3,58,964.40	3,75,611.72
Fair value of associated liabilities	3,72,624.36	3,87,415.42
Net position at Fair Value	(13,659.96)	(11,803.70)

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

57. DISCLOSURE RELATING TO SECURITISATION

57.1 The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	9	15
Total book value of assets	2,11,842.97	3,99,923.33
Sale consideration received	2,11,842.97	3,99,923.33

57.2 The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	23	18
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	3,44,849.01	3,60,074.75
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	97,554.28	70,520.71
	Others	160.82	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

58.1 DISCLOSURE RELATING ASSIGNMENT

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	5	7
2	Total amount of Outstanding	10,419.30	47,619.99
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	1,009.52	4,752.87
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

58.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2021 and March 31, 2020.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

58.1 DISCLOSURE RELATING ASSIGNMENT (Contd.)

58.3 Details of Assignment transactions undertaken by the Company during the year

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No.of accounts	-	1,44,261.00
Aggregate value (net of provision) of account sold	-	57,157.58
Aggregate consideration	-	57,157.58
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from The Company's Balance Sheet.

58.4 The Company has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020

59. INVESTMENTS

₹ in lacs

Particulars				As at March 31, 2021	As at March 31, 2020
(1)	**Value of investments**				
	(i)	Gross value of investments			
		(a)	In India	92,052.61	64,496.83
		(b)	Outside India,	9,686.10	8,917.14
	(ii)	Provisions for depreciation			
		(a)	In India	6.47	-
		(b)	Outside India,	-	-
	(iii)	**Net value of investments**			
		(a)	**In India**	**92,046.14**	**64,496.83**
		(b)	**Outside India,**	**9,686.10**	**8,917.14**
(2)	**Movement of provisions held towards depreciation on investments**				
	(i)	**Opening balance**		**-**	**-**
	(ii)	Add : Provisions made during the year		6.47	-
	(iii)	Less : Write-off/write-back of excess provisions during the year		-	-
	(iv)	**Closing balance**		**6.47**	**-**

60. DERIVATIVES

60.1 Forward rate agreement/Interest rate swap: Nil

60.2 Exchange Traded interest rate (IR) derivatives: Nil

61. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
CARE	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Stable	NA
	Short-Term (CP)	NA	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	NA	CARE AA+ /Stable
	Fixed deposit	CARE AA(FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Long-Term (NCDs-MLD)	PP-MLD ICRA AA/Stable	NA
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+
	Subordinate Debt	NA	CRISIL AA / Stable

62. DISCLOSURE OF RESTRUCTURED ACCOUNTS

₹ in lacs

Sr. No	Type of Restructuring		Others									
	Financial year		Year ended March 31, 2021					Year ended March 31, 2020				
	Asset lassification		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	**Restructured accounts as on April 1**	**No. of borrowers**	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
2	Fresh restructuring under COVID 19 relief scheme during the year	No. of borrowers	565	-	-	-	**565**	-	-	-		
		Amount outstanding	15,424.60	-	-	-	**15,424.60**	-	-	-		
		Provision thereon	736.81	-	-	-	**736.81**	-	-	-		
3	Upgradation	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of the year and hence need not be shown as restructured advances at the beginning of the next year	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
5	Downgradation of restructured accounts during the year	No. of borrowers	(4.00)	4.00	-	-	-	-	-	-		
		Amount outstanding	(189.84)	189.84	-	-	-	-	-	-		
		Provision thereon	(119.37)	119.37	-	-	-	-	-	-		
6	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-	-	-	-	-		
		Amount outstanding	-	-	-	-	-	-	-	-		
		Provision thereon	-	-	-	-	-	-	-	-		
7	**Restructured accounts as on March 31**	**No. of borrowers**	**561**	**4**	**-**	**-**	**565**	**-**	**-**	**-**		
		Amount outstanding	**15,234.76**	**189.84**	**-**	**-**	**15,424.60**	**-**	**-**	**-**		
		Provision thereon	**617.44**	**119.37**	**-**	**-**	**736.81**	**-**	**-**	**-**		

Note:

(i) The outstanding amount and number of borrowers as at March 31, 2021 and March 31, 2020 is after considering recoveries during the year.

(ii) Since the disclosure of restructured accounts pertains to section "Others", the first two sections namely "Under CDR Mechanism" and "Under SME Debt Restructuring Mechanism" as per the format prescribed in the Master Directions - Non -Banking Financial Company - Systematically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

63. EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	**Residential Mortgages** -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	1,21,103.00
ii)	**Commercial Real Estate** -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	25,392.74	66,799.12
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	-	-
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**25,392.74**	**1,87,902.12**

64. EXPOSURE TO CAPITAL MARKET

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	27,002.57	25,947.13
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances; *	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**27,002.57**	**25,947.13**

65. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Company does not have any Parent Company, hence not applicable.

66. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

67. UNSECURED ADVANCES

The Company has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

68. PROVISIONS AND CONTINGENCIES

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments	6.47	-
Provision towards NPA#	(9,804.56)	(2,699.21)
Provision made towards income tax	37,844.33	35,448.10
Provision for Standard Assets##	9,912.24	14,449.61
Provision towards impairment of financial instruments other than provision for stage 3 assets	171.58	97.45

Expected Credit Loss Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

69. DRAW DOWN FROM RESERVES

The draw down from reserves was Nil.

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

70.1 Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	13,448.28	11,139.38
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.43%	2.78%

70.2 Concentration of advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers	28,565.33	36,697.71
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.97%	1.28%

70.3 Concentration of exposures

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers	22,622.75	30,081.83
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.77%	1.05%

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.4 Concentration of NPAs

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	4,016.98	5,549.65

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

70.5 Sector-wise NPAs

S. no	Sector	As at March 31, 2021	As at March 31, 2020
		Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.26%	8.33%
3	Services	-	-
4	Loan Against Property	-	-
5	Unsecured personal loans	10.86%	11.59%
6	Auto loans		
	i) Auto Loans	8.56%	5.42%
	ii) Two wheeler	5.80%	8.12%
	iii) Pre Owned Two Wheeler	2.21%	0.00%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	2.86%	4.37%
8	Others	1.04%	0.84%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.6 Movement of NPAs

₹ in lacs

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
(i)	Net NPAs to Net Advances (%)	3.08%	4.23%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	2,26,293.73	2,57,668.91
	(b) Additions during the year	1,00,911.36	1,39,451.43
	(c) Reductions during the year	(1,39,606.34)	(1,70,826.61)
	(d) Closing balance	1,87,598.75	2,26,293.73
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,16,618.58	1,45,294.23
	(b) Additions during the year	25,800.77	69,564.03
	(c) Reductions during the year	(54,691.19)	(98,239.67)
	(d) Closing balance	87,728.16	1,16,618.58
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,09,675.14	1,12,374.68
	(b) Provisions made during the year	75,110.59	69,887.40
	(c) Write-off / write-back of excess provisions	(84,915.15)	(72,586.94)
	(d) Closing balance	99,870.58	1,09,675.14

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.7 Comparison between provisions required under IRACP and Impairment Allowances made under IND AS 109 as required vide Circular No. RBI/ 2019-20/ 170 dated March 13, 2020 issued by Reserve Bank of India

For the year ended March 31, 2021

₹ in lacs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Standard	Stage 1	25,25,387.95	88,122.34	24,37,265.60	10,848.94	77,273.41
	Stage 2	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
Subtotal		**27,58,920.16**	**1,04,636.68**	**26,54,283.48**	**11,797.42**	**92,839.27**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,09,226.62	56,409.77	52,816.85	51,293.35	5,116.42
Doubtful - up to 1 year	Stage 3	63,300.22	35,339.22	27,961.00	40,663.75	(5,324.53)
1 to 3 years	Stage 3	15,071.91	8,121.60	6,950.31	11,738.50	(3,616.90)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**78,372.13**	**43,460.82**	**34,911.31**	**52,402.25**	**(8,941.43)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,87,598.75**	**99,870.58**	**87,728.16**	**1,03,695.60**	**(3,825.01)**
Total	**Stage 1**	25,25,387.95	88,122.34	24,37,265.60	10,848.94	77,273.41
	Stage 2	2,33,532.22	16,514.34	2,17,017.88	948.48	15,565.86
	Stage 3	1,87,598.75	99,870.58	87,728.16	1,03,695.60	(3,825.01)
	Total	**29,46,518.91**	**2,04,507.27**	**27,42,011.64**	**1,15,493.01**	**89,014.25**

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

For the year ended March 31, 2020

₹ in lacs

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Standard	Stage 1	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
Subtotal		**26,39,358.82**	**94,724.44**	**25,44,634.38**	**32,809.39**	**61,915.05**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,65,755.67	79,864.32	85,891.35	83,449.16	(3,584.84)
Doubtful - up to 1 year	Stage 3	46,409.56	23,351.06	23,058.50	39,213.69	(15,862.63)
1 to 3 years	Stage 3	14,128.49	6,459.77	7,668.73	13,025.51	(6,565.74)
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		**60,538.05**	**29,810.82**	**30,727.23**	**52,239.20**	**(22,428.37)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**2,26,293.73**	**1,09,675.14**	**1,16,618.58**	**1,35,688.35**	**(26,013.21)**
Total	**Stage 1**	24,71,361.98	83,680.54	23,87,681.44	25,592.61	58,087.93
	Stage 2	1,67,996.84	11,043.90	1,56,952.94	7,216.78	3,827.12
	Stage 3	2,26,293.73	1,09,675.14	1,16,618.58	1,35,688.35	(26,013.21)
	Total	**28,65,652.55**	**2,04,399.59**	**26,61,252.96**	**1,68,497.74**	**35,901.84**

70. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

70.8 Disclosure as per the circular no DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by Reserve Bank of India on “COVID 19 regulatory package - Asset Classification and provisioning”

i Amounts in SMA/overdue categories where moratorium/deferment was extended in terms of paragraph 2 and 3 of the above circular

₹ in lacs

SMA category	As at March 31, 2021	As at March 31, 2020
SMA 0	1,00,756.64	1,23,292.19
SMA 1	1,96,544.54	2,87,621.77
SMA 2	25,122.90	34,125.15
Total	**3,22,424.08**	**4,45,039.10**

ii Respective amount where asset classification benefit is extended : Nil (March 31, 2020 : ₹ 20,047.7 lacs)

iii The provision as per the ECL model as at March 31, 2020 was more when compared with the provision required as per IRAC norms after including additional 5% provision of ₹ 22,251.96 lacs and also after including additional 10% provision as at June 30, 2020, September 30, 2020 and December 31, 2020. Further, the provision as per the ECL model as at March 31, 2021 was more compared to the provision required as per IRAC norms after excluding the additional 10% provision, in accordance with the para 6 of above circular.

iv Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 5 of the above circular : Not applicable

‘The Company had granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to ‘COVID-19 - Regulatory Package’ and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

‘The COVID -19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company’s business operations. the Company has considered an additional Expected Credit Loss (ECL) provision of ₹ 28,273.05 lacs on account of COVID-19 during year ended March 31, 2021. As at March 31, 2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 70,876.72 lacs. The additional ECL provision on account of COVID-19 is based on the Company’s historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, internal assessment 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.

71. OVERSEAS ASSETS (for those with joint ventures and subsidiaries abroad)

The Company does not have any joint venture or subsidiary abroad, hence not applicable.

72. OFF-BALANCE SHEET SPVS SPONSORED (which are required to be consolidated as per accounting norms)

The Company has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

73. CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Number of complaints pending at the beginning of the year	25	20
(b) Number of complaints received during the year	2,900	2,521
(c) Number of complaints redressed during the year	2,923	2,516
(d) Number of complaints pending at the end of the year	2	25

74. AUCTION DETAILS

The Company Auctioned 167 loan accounts (March 31, 2020: 1,799 accounts) during the financial year and the outstanding dues on these loan accounts were ₹ 36.25 lacs (March 31, 2020: ₹ 313.65 lacs) till the respective dates of auction. The company realised ₹ 37.44 lacs (March 31, 2020 : ₹ 306.51 lacs) on auctioning of gold jewellery taken as security on these loans. The company confirms that none of its sister concerns participated in the above auctions.

75. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

75. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

No penalties have been levied by any regulator on the Company for the year ended March 31, 2020.

76. The Company has not invoked any resolution plans for borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with guidelines issued by the RBI on August 6, 2020.

Disclosure as per the format prescribed as per the notification no. RBI/2020-21/17 DOR.NO.BP.BC/4/21.04.048/2020-21 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances" having exposure less than or equal to ₹ 25 crore for the year ended March 31, 2021

₹ in lacs

No. of accounts restructured	Amount
565	15,424.60

77. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 and provision had been made accordingly. The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

78. The Company had credited an ex-gratia amount of ₹ 10,423.34 lacs for the payment of difference between the compound interest and simple interest to the accounts of borrowers in specified loan accounts between March 1, 2020 and August 31, 2020 as per the eligibility criteria and other features as mentioned in the notification dated October 23, 2020 issued by Government of India, Ministry of Finance, Department of Financial Services. The Company had filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification and same was received on March 31, 2020.

79. In accordance with the RBI circular dated April 07, 2021 and the Indian Banks' Association ('IBA') advisory letter dated April 19, 2021 consequent to the judgement dated March 23, 2021 of Hon'ble Supreme Court, the Company has put in place a policy approved by the Board of Directors to refund/ adjust the 'interest on interest' charged to borrowers (other than specified borrowers) during the moratorium period .i.e. March 1, 2020 to August 31, 2020. The Company has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021.

80. DISCLOSURES PERTAINING TO FUND RAISING BY ISSUANCE OF DEBT SECURITIES BY LARGE CORPORATE

The Company, as per the SEBI circular SE131/HO/DDHS/CIR/P/2018/144, and the definitions therein, is a Large Corporate and hence is required to disclose the following information about its borrowings

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Name of the Company	Shriram City Union Finance Limited	
2	CIN	L65191TN1986PLC012840	
3	Outstanding borrowing of the Company (₹ in lacs)	18,73,383.03	16,82,627.21
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CARE AA+ by CARE Ratings Limited	CARE AA+ by CARE Ratings Limited
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited	National Stock Exchange of India Limited

Annual Disclosure to be made by an entity identified as a Large Corporate

₹ in Lacs

Sr. No.	Particulars	Year ended	
		March 31, 2021	March 31, 2020
1	Incremental borrowing done in FY (a)	9,26,495.51	6,19,498.73
2	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	2,31,623.88	1,54,874.68
3	Actual borrowings done through debt securities in FY (c)	1,88,090.00	1,93,325.76
4	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	43,533.88	Nil
5	Reasons for short fall, if any, in mandatory borrowings through debt securities	Borrowings from capital markets were lower due to Covid 19 related impact on business.	NA

Notes:

(i) Figures pertain to long term borrowing basis original maturity of more than one year (excludes funds raised by way of Direct Assignment, Securitisation & Sale of receivables in form of Direct Assignment under Partial Credit Guarantee Scheme)

(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

81. The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards applicable social security schemes. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

82. LIQUIDITY RISK

Public Disclosure on Liquidity Risk for the period ended March 31, 2021 pursuant to RBI circular dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties	Amount (₹ in lacs)*	% of Total deposits	% of Total liabilities
1	18	16,46,173.87	297.74%	63.09%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in ₹ in lacs and % of total deposits)

Particulars	As at March 31, 2021
Total amount of top 20 large deposits	13,448.28
Percentage of amount of top 20 large deposits to total deposits	2.43%

(iii) Top 10 borrowings (amount in ₹ in lacs and % of total borrowings)

Particulars	As at March 31, 2021
Total amount of top 10 borrowings *	12,36,599.84
Percentage of amount of top 10 borrowings to total borrowings	48.37%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product	Amount (₹ in lacs)	% of Total liabilities
1	Public issue of Redeemable non-convertible debentures	86,924.21	3.33%
2	Privately placed Redeemable non-convertible debentures	3,39,438.79	13.01%
3	Term Loan from banks	7,62,526.16	29.23%
4	Term Loan from financial institution/ NBFC	2,63,930.95	10.12%
5	Loans repayable on demand from banks (Cash credit from banks & Working Capital Loan)	2,12,362.91	8.14%
6	Other loans - Securitisation liabilities	3,38,459.12	12.97%
7	Public deposits	5,52,888.78	21.19%

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
(a)	Commercial papers	-	-	-
(b)	Non-convertible debentures (original maturity of less than one year)	-	-	-
(c)	Other short-term liabilities*	10.46%	10.24%	7.81%

*includes cash credit, working capital demand loans and other short term loans with original maturity of less than one year.

82. LIQUIDITY RISK (Contd.)

(vi) Institutional set-up for liquidity risk management

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.

The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.

The Risk owners are responsible for monitoring compliance with risk principles, policies and limits across the Company. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Company's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Company.

The Board of Directors also approves constitution of Asset Liability Committee (ALCO), reviews or monitors Asset Liability Management (ALM) mismatch. ALCO conducts periodic reviews relating to the liquidity position and stress test assuming various what if scenarios. The ALCO is responsible for ensuring adherence to the limits/ targets set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives. The ALCO does balance sheet planning from risk-return perspective including strategic management of interest rate and liquidity risks. The ALCO also evaluates the Borrowing Plan of subsequent quarters on the basis of previous borrowings of the company. The meetings of ALCO are held at quarterly intervals. The ALM Support Groups consisting of operating staff are responsible for analysing, monitoring and reporting the risk profiles to the ALCO. ALCO support group meets every fortnight.

In assessing the company's liquidity position, consideration is given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds. The Company maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Company also enters into securitisation deals (direct assignment as well as pass through certificates) of its loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Company's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Company. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

The liquidity buffer and SLR investments was ₹ 4,01,569.30 lacs and ₹ 95,779.83 lacs respectively.

***Notes:**

1) Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

2) Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3) Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

82. LIQUIDITY RISK (Contd.)

4) Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

83. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

Instances of fraud for the year ended March 31, 2021:

₹ in lacs

Particulars	Less than ₹ 1 lacs		₹ 1 lac to ₹25 lacs		Greater than ₹ 25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

84. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

₹ in lacs

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	1,239.96	1,587.71	6,626.81	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,09,021.60	42,901.32	32,350.33	1,23,632.26	1,31,852.26	3,89,113.52	7,05,187.27	9,06,436.94	1,78,936.13	1,22,580.01	27,42,011.64
Investments	-	280.77	448.69	13.47	15.30	45.29	66,142.79	8,271.40	-	26,514.53	1,01,732.24
Borrowings	-	43,013.28	98,430.49	99,920.54	1,10,533.71	2,20,065.31	5,81,307.46	7,10,464.18	1,22,414.22	17,492.95	20,03,642.14
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

As at March 31, 2020

₹ in lacs

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	1,738.66	1,865.92	6,177.22	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances*	98,100.63	23,553.44	12,980.58	92,295.93	1,33,812.50	4,02,934.02	6,42,051.49	9,22,596.53	2,21,426.10	1,11,501.74	26,61,252.96
Investments	-	280.77	302.08	-	12,310.74	8.57	26,447.95	-	8,100.00	25,963.86	73,413.97
Borrowings	552.46	13,157.09	54,221.04	81,656.53	96,664.08	1,72,021.24	5,77,766.07	8,34,338.78	84,412.75	587.09	19,15,377.12
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

85. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

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

As required in terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

Schedule to the Balance Sheet

₹ in lacs

	Particulars	**As at March 31, 2021**	
	Liabilities side :	**Amount outstanding**	**Amount overdue**
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
	(a) Debenture : Secured	4,26,363.00	-
	: Unsecured	-	-
	(other than falling within the meaning of public deposits*)		
	(b) Deferred Credits	-	-
	(c) Term Loans	10,26,457.11	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Public Deposits	5,52,888.78	-
	(g) Other Loans - Subordinated debts	-	-
	- Cash Credit/WCDL	2,12,362.91	-
	- Securitisation Loan	3,38,459.12	-

*Please see note 1 below

₹ in lacs

(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	**Amount outstanding**	**Amount overdue**
	(a) In the form of Unsecured debentures	-	-
	(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security	-	-
	(c) Other public deposits	5,52,888.78	-

Assets side :

₹ in lacs

(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below):**	**Amount outstanding**
	(a) Secured	23,96,344.85
	(b) Unsecured	3,45,666.79

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(4)	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities	Amount outstanding
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	-
	(b) Operating lease	-
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	-
	(b) Repossessed Assets	-
	(iii) Other loans counting towards asset financing activities :	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
	The Company has not furnished the asset financing activities details under loans and advances as the RBI has merged asset finance companies, loan companies and investment companies vide its circular number DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019.	

₹ in lacs

(5)	Break-up of investments :	Amount outstanding
	Current investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	-
	(b) Preference	-
	(ii) Debenture and bonds	-
	(iii) Units of mutual funds	434.03
	(iv) Government securities	-
	(v) Others (Please specify)	-
	Treasury Bills	66,090.73
	2. Unquoted :	
	(i) Shares: (a) Equity	-
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others (Please specify)	
	(a) Debentures	-
	(b) Mutual Funds	-

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(5)	**Break-up of investments :**	**Amount outstanding**
	Long term investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	9,686.10
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	8,638.94
	(v) Others (Please specify)	-
	2. Unquoted :	
	(i) Shares: (a) Equity	16,727.91
	(b) Preference	-
	(ii) Debentures and bonds	-
	(iii) Units of mutual funds	-
	(iv) Government securities	-
	(v) Others -Venture capital fund	-
	Investment in PTC	-
	Certificate of deposits	-
	Pass through certificates (unquoted)	154.53
	Investment in subordinated debts	-

₹ in lacs

(6)	**Borrower group-wise classification of assets, financed as in (3) and (4) above :** Please see note 2 below		
	Category	**Amount (Net of provisions)**	
		Secured	**Unsecured**
	1. Related Parties **		
	(a) Subsidiary	-	-
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	23,96,344.85	3,45,666.79

Notes to Standalone Financial Statements for the year ended March 31, 2021 (Contd.)

₹ in lacs

(7)	**Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):** Please see note 3 below		
	Category	**Market Value / Break up or fair value or NAV***	**Book Value (Net of Provisions)**
	1. Related Parties *		
	(a) Subsidiary	43,687.54	16,727.91
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	85,661.55	85,004.33
	Total	**1,29,349.09**	**1,01,732.24**

* As per Indian Accounting Standard issued by MCA (Please see note 3)

₹ in lacs

(8)	**Other information**	
	Particulars	**Amount**
(i)	Gross non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	1,87,598.75
(ii)	Net non-performing assets **	
	(a) Related parties	-
	(b) Other than related parties	87,728.16
(iii)	Assets acquired in satisfaction of debt	-

** NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes :

1. As defined in point xxvii of paragraph 3 of Chapter II of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. Provisioning norms shall be applicable as prescribed in Indian Accounting Standards by MCA..
3. All Indian Accounting Standards issued by MCA are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (5) above.

Form AOC-1

(Pursuant to first proviso to sub- section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

Part A: Subsidiaries

₹ in lacs

Sr. No.	Particulars	Shriram Housing Finance Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
3	Capital	21,416.00
4	Reserves	36,231.05
5	Total assets	3,83,275.75
6	Total liabilities	3,25,628.70
7	Investment included in total assets	7,402.57
8	Turnover	42,190.48
9	Profit before taxation	8,423.61
10	Provision for taxation	2,185.30
11	Profit after taxation	6,238.30
12	Dividend including dividend distribution tax	-
13	% of shareholding	77.25%

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.

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.

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.

- 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:

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 auditor.

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 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

SHRIRAM City
MONEY WHEN YOU NEED IT MOST

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

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

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

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

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

Venkataraman Murali
Director
DIN: 00730218

C R Dash
Company Secretary

R Chandrasekar
Chief Financial Officer

Consolidated Statement of changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

	No. of shares	₹ In lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Changes in Equity share capital during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Changes in Equity share capital during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

B. OTHER EQUITY

Statement of changes in Equity for the year ended March 31, 2021

₹ in lacs

Particulars	Reserves and Surplus												
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive income	Total Other Equity	Non Controlling Interest	Total
Balance as at April 1, 2019	**1,08,411.30**	**2,161.99**	**65.86**	**1,84,901.29**	**2,844.29**	**2,328.98**	**85,339.27**	**7,871.88**	**2,58,588.75**	**(683.12)**	**6,51,830.49**	**10,554.85**	**6,62,385.34**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	1,02,262.95		1,02,262.95	1,058.31	1,03,321.26
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	(333.27)	(333.27)	2.16	(331.11)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-		-	-	(664.10)	(664.10)	-	(664.10)
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	113.38	113.38	(0.63)	112.75
Transferred from Retained Earnings upto August 16, 2019	-	-	-	-	2,930.90	-	-	-	(2,930.90)	-	-	-	-
Amount transferred to General Reserve on Redemption of Non Convertible Debentures upto August 16, 2019	-	-	-	-	(2,911.54)	-	2,911.54	-	-	-	-	-	-
Amount transferred to General Reserve upon dispensation of requirement of DRR by MCA vide notification dated August 16 ,2019	-	-	-	-	(2,863.65)	-	2,863.65	-	-	-	-	-	-
Share Premium received during the year on exercise of ESOPs	-	-	-	26.67	-	-	-	-	-	-	26.67	-	26.67
Employee Stock option expenses	-	-	45.20	-	-	-	-	-	-	-	45.20	-	45.20
Adjustment on Exercise of Employee Stock Option Plan	-	-	(24.02)	-	-	-	-	-	-	-	(24.02)	14.76	(9.26)
Transferred to Retained Earnings	-	-	2.02	-	-	-	-	-	-	-	2.02		2.02
Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	-	(10,559.22)	-	(10,559.22)	-	(10,559.22)
Tax on Final Equity Dividend FY 2018-19	-	-	-	-	-	-	-	-	(2,170.48)	-	(2,170.48)	-	(2,170.48)
Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	-	(3,959.76)	-	(3,959.76)	-	(3,959.76)
Tax on Interim Equity Dividend FY 2019-20	-	-	-	-	-	-	-	-	(813.94)	-	(813.94)	-	(813.94)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	20,020.00	-	-	-	-	-	-	-	(20,020.00)	-	-	-	-
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	-	720.58	-	-	-	-	-	-	(720.58)	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	10,010.00	-	(10,010.00)	-	-	-	-
Balance as at March 31, 2020	**1,28,431.30**	**2,882.57**	**89.06**	**1,84,927.96**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,09,666.82**	**(1,567.11)**	**7,35,755.92**	**11,629.45**	**7,47,385.37**

Consolidated Statement of changes in Equity for the year ended March 31, 2021 (Contd.)

B. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Reserves and Surplus											Non Controlling Interest	Total
	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Statutory Reserve pursuant to section 29C of the NHB Act, 1987	Share Options Outstanding	Securities Premium Account	Debenture Redemption Reserve	Capital Redemption Reserve	General Reserve	Capital Reserve	Retained Earnings	Other Comprehensive income	Total Other Equity		
Balance as at March 31, 2020	**1,28,431.30**	**2,882.57**	**89.06**	**1,84,927.96**	**-**	**2,328.98**	**1,01,124.46**	**7,871.88**	**3,09,666.82**	**(1,567.11)**	**7,35,755.92**	**11,629.45**	**7,47,385.37**
Profit/ (Loss) for the period	-	-	-	-	-	-	-	-	1,06,352.34	-	1,06,352.34	1,419.20	1,07,771.54
Remeasurement Gain/ (loss) on defined benefit plan	-	-	-	-	-	-	-	-	-	1,181.15	1,181.15	0.71	1,181.86
Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	768.97	768.97	-	768.97
Income Tax on Remeasurement Gain/ (loss) on defined benefit plan and Gain/(Loss) on Fair valuation of quoted investments in equity shares	-	-	-	-	-	-	-	-	-	(633.44)	(633.44)	(0.18)	(633.62)
Share Premium received during the year on exercise of ESOPs	-	-	-	5.28	-	-	-	-	-	-	5.28	-	5.28
Expenses on Employee Stock Option Plan	-	-	1,929.15	-	-	-	-	-	-	-	1,929.15	23.92	1,953.07
Transferred to Retained Earnings	-	-	(1.40)	-	-	-	-	-	1.40	-	-	-	-
Adjustment on Exercise of Employee Stock Option Plan	-	-	(4.76)	-	-	-	-	-	-	-	(4.76)		(4.76)
Interim Equity Dividend FY 2020-21	-	-	-	-	-	-	-	-	(13,200.93)	-	(13,200.93)	-	(13,200.93)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	20,490	-	-	-	-	-	-	-	(20,490.00)	-	-	-	-
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	-	968.72	-	-	-	-	-	-	(968.72)	-	-	-	-
Transfer to General reserve	-	-	-	-	-	-	10,250.00	-	(10,250.00)	-	-	-	-
Balance as at March 31, 2021	**1,48,921.30**	**3,851.29**	**2,012.05**	**1,84,933.24**	**-**	**2,328.98**	**1,11,374.46**	**7,871.88**	**3,71,110.91**	**(250.44)**	**8,32,153.68**	**13,073.10**	**8,45,226.78**

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

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Shriram City Union Finance Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company is primarily engaged in the business of financing small and medium enterprises, two-wheelers and pledged jewels. It also provides personal loans and auto loans. The Company is a Deposit Accepting Non- Banking Finance Company (NBFC) registered as a Loan Company with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs. The registration details are as follows:

RBI 07-00458

Corporate Identity Number (CIN) L65191TN1986PLC012840

IRDA CA0652

Shriram Capital Limited is the promoter of the Company.

The registered office of the Company is at No.123, Angappa Naicken Street, Chennai – 600 001. The principal place of business is at No.144, Santhome High Road, Mylapore, Chennai – 600 004. The financial statements of the Group for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on April 30, 2021.

2. BASIS OF PREPARATION

The Consolidated Financial Statements relates to M/s. Shriram City Union Finance Limited (the "Company") and its subsidiary (together hereinafter referred to as "the Group"). The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines/regulations to the extent applicable on an accrual basis.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting policies have been consistently applied to all periods presented, unless otherwise stated except where a newly – issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Group are discussed in Note 8 - Significant accounting judgements, estimates and assumptions.

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest lacs upto two decimals, except when otherwise indicated.

3. PRESENTATION OF FINANCIAL STATEMENT

(i) The financial statements of the subsidiary used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2021 and are prepared based on the accounting policies consistent with those used by the Company.

(ii) The consolidated financial statements of the Group have been prepared in accordance with the Ind AS 110- 'Consolidated Financial Statements' as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Act and the other relevant provisions of the Act.

(iii) The Consolidated Financial Statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions have been fully eliminated except where losses are realised.

b) The excess of cost to the Company of its investments in the subsidiary over its share of equity of the subsidiary, at the dates on which the investments in the subsidiary is made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets and liabilities as of the date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of subsidiary.

d) Non-controlling interest, if any, in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in the subsidiary and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(iv) The subsidiary considered in the Consolidated Financial Statements are as below

Name of the subsidiary	Country of incorporation	Share of ownership interest as at March 31, 2021
Shriram Housing Finance Limited (SHFL)	India	77.25%

4. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Statement of changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 ("the Act") applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Group and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

5. STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the other relevant provisions of the Act.

6. RECENT ACCOUNTING DEVELOPMENTS

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division III which relate to Non-banking financial companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved

schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

- Disclosures in respect of certain ratios including capital adequacy ratio and liquidity coverage ratio.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

7. SIGNIFICANT ACCOUNTING POLICIES

7.1 Financial instruments

i. Classification of financial instruments

a. Financial Assets

The Group classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost (amortised cost)
2. Financial assets to be measured at fair value through other comprehensive income (FVTOCI)
3. Financial assets to be measured at fair value through profit or loss account (FVTPL)

The classification depends on the contractual terms of the financial assets, cash flows and the Group's business model for managing financial assets which are explained below:

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.
- At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business model/(s) have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

b. Financial Liabilities

The Group classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Financial assets are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

These financial assets comprise bank balances, Loans, investments and other financial assets.

iii. These financial assets comprise bank balances, Loans, investments and other financial assets.

Financial Assets other than equity instruments: These financial assets are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of profit and loss. As at the reporting date the Group does not have any financial instrument other than equity shares measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

iv. Items at fair value through profit or loss

Financial assets which are not classified in any of the above categories are measured at FVTPL.

Items at fair value through profit or loss comprise:

a. Investments (including equity shares) held for trading;

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

b. Items specifically designated as fair value through profit or loss on initial recognition;

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis. As at the reporting date the Group does not have any financial instruments designated as measured at fair value through profit or loss.

c. Debt instruments with contractual terms that do not represent solely payments of principal and interest. As at the reporting date the Group does not have any such financial instruments measured at fair value through profit or loss.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the consolidated statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the consolidated statement of profit and loss as they arise.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. As at the reporting date, the Group has not designated any financial instruments as measured at fair value through profit or loss.

v. Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties to hedge its foreign currency risks and interest rate risks. Derivative transaction consists of hedging of foreign exchange transactions, which includes interest rate and currency swaps, interest rate options and forwards. The Group undertakes derivative transactions for hedging on-balance sheet liabilities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The notional amount and fair value of such derivatives are disclosed separately. Changes in the fair value of derivatives are included in net gain on fair value changes.

vi. Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

vii. Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss.

- The premium is recognised in the consolidated statement of profit and loss on a straight-line basis over the life of the guarantee.

viii. Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition apart from the exceptional circumstances in which Group changes its business model for managing financial assets. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities until the year ended March 31, 2021.

ix. Recognition and Derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the funds are transferred to the customers' account or delivery of assets by the dealer whichever is earlier.

b) Investments are initially recognised on the settlement date.

c) Debt securities, deposits and borrowings are initially recognised when funds reach the Group.

d) Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

i. The Group has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Group cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Group has transferred substantially all the risks and rewards of the asset, or

ii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the consolidated statement of profit and loss.

Accordingly, gain on sale or derecognition of assigned portfolio are recorded upfront in the consolidated statement of profit and loss as per Ind AS 109. Also, the Group recognises servicing income as a percentage of interest spread over tenure of loan in cases where it retains the obligation to service the transferred financial asset. As per the guidelines of RBI, the Group is required to retain certain portion of the loan assigned to parties in its books as Minimum Retention Requirement ("MRR"). Therefore, it continue to recognise the portion retained by it as MRR.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss. As at the reporting date the Group does not have any financial liabilities which have been derecognised.

(x) Impairment of financial assets

Overview of the ECL principles

The Group records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on individual basis, depending on the nature of the underlying portfolio of financial instruments. The Group has grouped its loan portfolio into Gold Loan, Auto Loans, MSME Loans, Two Wheeler Loans, Personal Loans, Pre-owned Two Wheeler loan, Loan Against Property and Housing Loans.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all standard advances and advances upto 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk. Stage 2 loans also includes facilities where the credit risk has improved and the loan has been reclassified from stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Group may classify the financial asset in Stage 3 accordingly.

As required by RBI Circular reference no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020; where impairment allowance under Ind AS 109 is lower than the provisioning required as per extant prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) including borrower/beneficiary wise classification, provisioning for standard as well as restructured assets, NPA ageing, etc., the Group shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020, April 17, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package, the

Group has granted moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of accounts overdue but standard at February 29, 2020 where moratorium benefit has been granted, the staging of such accounts remained stand still during the moratorium period. Based on an assessment by the Group, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. The Group continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. 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.

Loan commitments:

When estimating expected credit loss for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down.

Credit-impaired financial assets:

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower or issuer;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) The disappearance of an active market for a security because of financial difficulties.

Financial guarantee contracts

The Group's liability under financial guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the consolidated statement of profit and loss, and the ECL provision. For this purpose, the Group estimates ECLs by applying a credit conversion factor. The ECLs related to financial guarantee contracts are recognised within Provisions. Currently, the Group has not recognised any ECL in respect of financial guarantee based on estimate of expected cash flows.

ECL on Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets. As at the reporting date the Group does not have any debt instruments measured at fair value through OCI.

The mechanics of ECL:

The Group calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

The above calculated PDs, EAD and LGDs are reviewed annually and changes in the forward looking estimates are analysed.

Collateral Valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/ obligors. As a result of this practice, assets under legal repossession processes are not recorded on the consolidated balance sheet.

(xi) Write-offs

The Group reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the consolidated statement of profit and loss.

(xii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Group measures certain categories of financial instruments (as explained in note 7.1(iii) to 7.1(vi)) at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group has access to at the measurement date. The Group considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

7.2 Revenue from operations

(i) Interest Income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the entity and

c. the amount of the dividend can be measured reliably

(iii) Fees & Commission Income

Fees and commissions are recognised when the Group satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

(iv) Net gain or loss on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the consolidated statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Group does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Consolidated Statement of Profit and Loss.

(v) Recoveries of financial assets written off

The Group recognises income on recoveries of financial assets written off on realisation basis.

(vi) Net gain or loss on derecognition of financial instruments under amortised cost category

Net gain or loss on derecognition of financial instruments under amortised cost category is recognised upfront in the statement of profit and loss, being the difference between the carrying amount (measured at the date of recognition) and the consideration received (including any new asset obtained less any new liability assumed) .

7.3 Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the amortised cost of the financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Finance Cost with the corresponding adjustment to the carrying amount of the Liabilities.

Interest expense includes issue costs that are initially recognised as part of the carrying value of the financial liability and amortised over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Group are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Group contribute monthly at a stipulated rate. The Group has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Group provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognises each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognised as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

The Group fully contributes all ascertained liabilities to The Trustees – SCUF Employees Group Gratuity Trust and Shriram Housing Finance Company Employees Group Gratuity Fund. Trustees administer contributions made to the trust and contributions are invested in a scheme of insurance with the IRDA approved Insurance Companies.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Group's liabilities towards compensated absences to employees are accrued on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the Provision for compensated absences under provisions in the Consolidated Balance Sheet.

Employee Stock Options

Eligible employees in terms of the Employees Stock Options Scheme of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Share Option Outstanding Reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense / vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for awards that do not ultimately vest.

(iii) Lease

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

Rent concession consequent to modification of lease terms due to COVID 19 pandemic have been accounted for as other income with a reduction in lease liability in terms of practical expedient under IND AS 116 Leases.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognised on a straight line basis over the term of the relevant lease.

(iv) Other income and expenses

All Other income and expense are recognised in the period they occur.

(v) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(vi) Taxes

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid is charged to the consolidated statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(vii) Dividends on ordinary shares

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group. A corresponding amount is recognised directly in equity.

7.4 Foreign currency translation

(i) Functional and presentational currency

The consolidated financial statements are presented in Indian Rupees which is also functional currency of the Group and the currency of the primary economic environment in which the Group operates.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Consolidated Statement of Profit and Loss.

Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

7.5 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

7.6 Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes (other than those subsequently recoverable from the tax authorities) and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 except for Leasehold Improvements which are amortised on a straight-line basis over the period of lease or estimated period of useful life of such improvement, subject to a maximum period of 60 months. Leasehold improvements include all expenditure incurred on the leasehold premises that have future economic benefits. Land is not depreciated. .

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Plant and machinery	15 years	15 years
Electrical equipment	10 years	10 years
Generator	10 years	10 years
Furniture and fixture	10 years	10 years
Air conditioner	10 years	10 years
Electronic equipment	10 years	10 years
Office equipment	5 years	5 years
Refrigerator	10 years	10 years
Motor car	8 years	8 years
Vehicles	10 years	10 years
Server and networking	6 years	6 years
Computer	3 years	3 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the consolidated statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

7.7 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the consolidated statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the consolidated Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years, unless it has a shorter useful life.

The Group's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the consolidated Statement of Profit and Loss when the asset is derecognised.

7.8 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement. As at reporting date, the Group does not have any such provisions where the effect of time value of money is material.

7.9 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are reviewed at each Balance Sheet date.

7.10 Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised in the financial statements. Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent assets are reviewed at each Balance Sheet date.

7.11 Earning Per Share

The Group reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

8. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period and reported amounts of income and expenses for the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

8.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

8.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

8.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

8.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 7.1(x) Overview of ECL principles.

8.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

8.6 Effective Interest Rate (EIR) method

The Group's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

8.7 Other estimates

These include contingent liabilities, useful lives of tangible and intangible assets etc.

9. CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	5,433.39	888.66
Balances with banks (of the nature of cash and cash equivalents)		
- Current Account	1,38,156.42	28,228.92
- Bank deposit with original maturity less than three months	2,48,051.84	1,94,936.20
Total	**3,91,641.65**	**2,24,053.78**

Balances with banks earn interest at fixed rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective short-term deposit rates. The group has not taken bank overdraft, therefore the cash and cash equivalent for cash flow statement is same as cash and for cash equivalent given above.

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
Unclaimed dividend accounts	86.42	92.88
Bank deposits with original maturity for more than 3 months*	44,135.99	25,208.45
Balance with banks to the extent held as Margin Money or security against the borrowings, guarantees, other commitments.**	1,00,086.75	72,557.70
Total	**1,44,309.16**	**97,859.03**

Fixed deposit and other balances with banks earns interest at fixed rate.

*Includes deposits March 31, 2021: ₹21,197.76 lacs (March 31, 2020: ₹ 20,181.02 lacs) towards SLR requirement for Public Deposits Outstanding

** includes Deposit under lien for Bank Guarantee purpose to the extent for March 31, 2021: ₹ 25 lacs (March 31, 2020: ₹ 25 lacs) and includes deposit under lien with bank pending completion of formalities relating to a borrower to the extent of March 31, 2021: ₹ 110 lacs (March 31, 2020: ₹ 110 lacs) and includes deposit under lien to the extent of ₹ 1,298.50 lacs marked in favour of IDBI Trusteeship Services Limited in respect to securitisation as cash collateral (March 31, 2020: ₹ 647.50 lacs) and also includes deposit under lien to extent of ₹ 70 lacs in favour of ICICI Bank in respect of sourcing and servicing agreement.(March 31, 2020: Nil)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

11. RECEIVABLES

(I) Trade Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Total	**229.99**	**89.76**

(II) Other Receivables

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Other Receivables	-	0.65
Total	**-**	**0.65**

No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person or from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is provided on other than trade receivable as the receivables are considered as good.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	239.62	-	-	-	-	239.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**239.62**	**-**	**-**	**-**	**-**	**239.62**
ECL - Simplified approach	**(9.63)**	**-**	**-**	**-**	**-**	**(9.63)**
Net carrying amount	**229.99**	**-**	**-**	**-**	**-**	**229.99**

11. RECEIVABLES (Contd.)

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	93.12	-	-	-	-	93.12
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**93.12**	**-**	**-**	**-**	**-**	**93.12**
ECL - Simplified approach	**(3.36)**	**-**	**-**	**-**	**-**	**(3.36)**
Net carrying amount	**89.76**	**-**	**-**	**-**	**-**	**89.76**

Other Receivables

As on March 31, 2021: Nil

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	-	0.65	-	-	-	0.65
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables–considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	-	**0.65**	**-**	**-**	**-**	**0.65**
ECL - Simplified approach	-	**-**	**-**	**-**	**-**	**-**
Net carrying amount	-	**0.65**	**-**	**-**	**-**	**0.65**

Reconciliation of impairment allowance on trade receivable

(₹ in lacs)

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as per March 31, 2019	**-**
Add: Addition during the year	3.36
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2020	**3.36**
Add: Addition during the year	6.27
(Less): Reduction during the year	-
Impairment allowance as per March 31, 2021	**9.63**

12. LOANS AND ADVANCES

₹ in lacs

Particulars	As at March 31, 2021					As at March 31, 2020				
	At amortised Cost	At fair value			Total	At amortised Cost	At fair value			Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account			Through Other Comprehensive Income	Through profit and loss account	Designated at through profit and loss account	
(A)										
i) Term loans*	32,89,128.66	-	-	-	32,89,128.66	30,68,089.28	-	-	-	30,68,089.28
ii) Others	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78		-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (A) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(B)										
i) Secured by tangible assets*	29,06,943.43	-	-	-	29,06,943.43	26,38,889.75	-	-	-	26,38,889.75
ii) Unsecured	3,82,185.23	-	-	-	3,82,185.23	4,29,199.53	-	-	-	4,29,199.53
Total (B) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78	-	-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (B) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others										
Corporate	1,21,452.64	-	-	-	1,21,452.64	1,49,172.21	-	-	-	1,49,172.21
Retail*	31,67,676.02	-	-	-	31,67,676.02	29,18,917.07	-	-	-	29,18,917.07
Total (C) - Gross	**32,89,128.66**	**-**	**-**	**-**	**32,89,128.66**	**30,68,089.28**	**-**	**-**	**-**	**30,68,089.28**
Less: Impairment loss allowance	2,09,348.78	-	-	-	2,09,348.78	2,07,987.92	-	-	-	2,07,987.92
Total (C) - Net	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**
(D)										
Loans outside India	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (D) - Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**30,79,779.88**	**-**	**-**	**-**	**30,79,779.88**	**28,60,101.36**	**-**	**-**	**-**	**28,60,101.36**

* Includes ₹ 126.45 lacs (March 31, 2020: Nil) loan given to related party

12. LOANS AND ADVANCES (Contd.)

Credit Quality of Assets

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in note 47.2 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in note 47.2

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal rating grade								
Performing								
High grade	20,71,751.88	-	-	20,71,751.88	23,07,804.30	-	-	23,07,804.30
Standard grade	7,78,233.30	-	-	7,78,233.30	3,47,513.17	-	-	3,47,513.17
Sub-standard grade	-	1,16,763.01	-	1,16,763.01	-	1,46,597.84	-	1,46,597.84
Past due but not impaired	-	1,28,359.53	-	1,28,359.53	-	34,996.22	-	34,996.22
Non- performing	-	-	1,94,020.94	1,94,020.94	-	-	2,31,177.75	2,31,177.75
Total	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**

An analysis of changes in the gross carrying amount as follows:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**	**23,34,566.72**	**4,78,925.82**	**2,62,833.75**	**30,76,326.29**
New assets originated or purchased	18,65,195.82	57,215.90	12,476.91	19,34,888.62	22,97,603.68	47,053.11	22,918.36	23,67,575.15
Assets derecognised or repaid (excluding write offs)	(14,92,252.63)	(86,109.96)	(50,417.83)	(16,28,780.42)	(19,46,693.64)	(2,55,921.98)	(95,812.39)	(22,98,428.01)
Transfers to Stage 1	78,395.10	(73,386.17)	(5,008.94)	-	1,66,467.37	(1,61,884.99)	(4,582.38)	-
Transfers to Stage 2	(1,85,156.12)	1,91,566.76	(6,410.64)	-	(1,28,332.84)	1,32,775.89	(4,443.05)	-
Transfers to Stage 3	(65,747.04)	(25,523.58)	91,270.62	-	(66,710.16)	(52,595.87)	1,19,306.03	-
Changes to contractual cash flows due to modifications not resulting in derecognition	(406.77)	239.35	167.41	-	-	-	-	-
Amounts written off	(5,360.65)	(473.82)	(79,234.33)	(85,068.81)	(1,583.66)	(6,757.91)	(69,042.58)	(77,384.15)
Gross carrying amount closing balance	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**32,89,128.66**	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**30,68,089.28**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

12. LOANS AND ADVANCES (Contd.)

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	**84,906.59**	**11,346.88**	**1,11,734.44**	**2,07,987.92**	**59,815.56**	**21,945.39**	**1,13,490.29**	**1,95,251.24**
New assets originated or purchased	42,538.16	2,212.18	2,524.51	47,274.85	50,341.42	2,418.81	6,613.36	59,373.60
Transfers to Stage 1	7,924.32	(5,290.03)	(2,634.29)	-	10,602.02	(8,679.21)	(1,922.81)	-
Transfers to Stage 2	(7,099.66)	10,415.51	(3,315.85)	-	(3,435.87)	5,346.35	(1,910.48)	-
Transfers to Stage 3	(2,890.50)	(2,478.98)	5,369.49	-	(2,044.77)	(3,002.15)	5,046.92	-
Impact on year end ECL of exposures transferred between stages during the year and reversal of ECL on account of recovery	(29,733.92)	1,055.11	67,833.65	39,154.83	(28,788.12)	75.60	59,459.75	30,747.23
Amounts written off	(5,360.65)	(473.82)	(79,234.34)	(85,068.81)	(1,583.66)	(6,757.91)	(69,042.58)	(77,384.15)
ECL allowance - closing balance	**90,284.33**	**16,786.85**	**1,02,277.61**	**2,09,348.78**	**84,906.59**	**11,346.88**	**1,11,734.45**	**2,07,987.92**

Out of loan balances written off during the year ₹85,068.81 lacs (March 31, 2020: ₹ 77,384.15 lacs) ₹ 77,796.18 lacs and ₹ 66,394.92 lacs respectively are subject to enforcement activity by the group.

13. INVESTMENTS

₹ in lacs

Particulars	Amortised Cost	At Fair value			Sub-total (At Fair Value)	Total
		Through Other Comprehensive Income	Through profit and loss account	Designated at Fair value through profit and loss account		
As at March 31, 2021						
i) Mutual funds	-	-	434.03	-	434.03	434.03
ii) Government securities	8,638.94	-	-	-	-	8,638.94
iii) Equity instruments	-	9,686.10	-	-	9,686.10	9,686.10
iv) Investments in Pass Through Certificate	161.00	1,396.86	-	-	1,396.86	1,557.86
v) Security Receipts	-	-	980.24	-	980.24	980.24
vi) Treasury Bills	66,090.73	-	-	-	-	66,090.73
vii) Deposits with Financial Institutions	5,027.50	-	-	-	-	5,027.50
Total Gross (A)	**79,918.17**	**11,082.96**	**1,414.27**	**-**	**12,497.23**	**92,415.40**
(i) Investments outside India	-	9,686.10	-	-	9,686.10	9,686.10
(ii) Investments in India	79,918.17	1,396.86	1,414.27	-	2,811.13	82,729.30
Total Gross (B)	**79,918.17**	**11,082.96**	**1,414.27**	**-**	**12,497.23**	**92,415.40**
Less: Allowance for impairment loss (C)	**(7.27)**	**(1.23)**	**-**	**-**	**(1.23)**	**(8.50)**
Total - Net D = (A) - (C)	**79,910.90**	**11,081.73**	**1,414.27**	**-**	**12,496.00**	**92,406.90**
As at March 31, 2020						
i) Mutual funds	-	-	12,767.35	-	12,767.35	12,767.35
ii) Government securities	21,018.89	-	-	-	-	21,018.89
iii) Equity instruments	-	8,917.14	-	-	8,917.14	8,917.14
iv) Pass through certificates	-	1,840.73	-	-	1,840.73	1,840.73
v) Security Receipts	-	-	1,327.92	-	1,327.92	1,327.92
vi) Treasury Bills	26,447.95	-	-	-	-	26,447.95
Total Gross (A)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**72,319.98**
(i) Investments Outside India	-	8,917.14	-	-	8,917.14	8,917.14
(ii) Investments in India	47,466.84	1,840.73	14,095.27	-	15,936.00	63,402.84
Total Gross (B)	**47,466.84**	**10,757.87**	**14,095.27**	**-**	**24,853.14**	**72,319.98**
Less: Allowance for impairment loss (C)	**-**	**(1.81)**	**-**	**-**	**(1.81)**	**(1.81)**
Total - Net D = (A) - (C)	**47,466.84**	**10,756.06**	**14,095.27**	**-**	**24,851.33**	**72,318.17**

More information regarding the valuation methodologies can be found in Note 46.7

The Group received dividends of ₹ 190.28 lacs (March 31, 2020: ₹ 171.21 lacs) from its investments measured at FVTOCI securities, recorded as dividend income.

The Group has on June 30, 2019, reclassified its investments in Quoted Equity instruments held in Ceylinco Insurance PLC (carrying value as at the date of the transfer ₹ 10,603.97 lacs) from FVTPL to FVTOCI. The reclassification to FVTOCI is irrevocable and was necessitated since the group revised its business model on that date to hold these investments as a long term investment unlike the earlier business model of its disposal in near future. Accordingly, the fair value loss of ₹ 1,022.73 lacs till June 30, 2019, has been recorded through profit and loss and fair value loss of ₹ 664.10 lacs thereafter has been recorded through the other comprehensive income.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

13. INVESTMENTS (Contd.)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances . Details of the Group's internal grading system are explained in note 47.2.

₹ in lacs

Internal Grade Rating	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Individual	Stage 2 Individual	Stage 3	Total	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
Performing								
High grade	91,018.54	-	-	91,018.54	70,479.25	-	-	70,479.25
Standard grade	1,396.86	-	-	1,396.86	1,840.73	-	-	1,840.73
Total	**92,415.40**	**-**	**-**	**92,415.40**	**72,319.98**	**-**	**-**	**72,319.98**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount – opening balance	**72,319.98**	**-**	**-**	**72,319.98**	**92,097.14**	**-**	**-**	**92,097.14**
New assets originated or purchased	2,74,207.54	-	-	2,74,207.54	22,80,891.10	-	-	22,80,891.10
Assets derecognised or matured	(2,57,747.33)	-	-	(2,57,747.33)	(23,01,840.02)	-	-	(23,01,840.02)
Other changes								
Amortisation of G-sec Premium	(71.20)	-	-	(71.20)	(123.94)	-	-	(123.94)
Interest on investment at amortised cost	2,870.77	-	-	2,870.77	2,951.00	-	-	2,951.00
Change in fair value								
OCI	768.97	-	-	768.97	(664.10)	-	-	(664.10)
Profit & Loss	66.67	-	-	66.67	(991.20)	-	-	(991.20)
Closing balance	**92,415.40**	**-**	**-**	**92,415.40**	**72,319.98**	**-**	**-**	**72,319.98**

Reconciliation of ECL balance is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance in ECL	**1.81**	**-**	**-**	**1.81**	**4.74**		**-**	**4.74**
New assets originated or purchased	7.26	-	-	7.26	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Unwind of discount (recognised in interest income)	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	-	
Assets derecognised or matured	(0.44)	-	-	(0.44)	(2.52)	-	-	(2.52)
ECL assumption changes	(0.13)	-	-	(0.13)	(0.41)	-	-	(0.41)
Closing balance in ECL	**8.50**	**-**	**-**	**8.50**	**1.81**	**-**	**-**	**1.81**

14. OTHER FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	2,662.13	2,335.64
Assignment receivable	12,585.01	7,050.53
Less: ECL on Assignment Receivable	(372.49)	(247.15)
Interest receivable on Pass through certificates	7.42	10.85
Less: Allowance for impairment against interest receivable on PTC	(0.01)	(0.01)
Lease Receivable	11.65	14.72
Less: ECL on Lease Receivable	(0.25)	(0.47)
Other receivables	9.75	2,436.93
COVID-19 Relief Ex-Gratia Scheme Receivable	342.83	-
Employee benefits recoverable from former employers for transfer of employees	988.03	1,017.10
Total	**16,234.07**	**12,618.14**

Reconciliation of impairment allowance

₹ in lacs

Particulars	Amount		
	Assignment Receivable	Net Lease Receivable	Interest receivable on PTC
Impairment allowance measured as per simplified approach			
Impairment allowance as per March 31, 2019	**-**	**-**	**0.03**
Add: Addition during the year	247.15	0.47	-
Less: Reversal during the year	-	-	(0.02)
Impairment allowance as per March 31, 2020	**247.15**	**0.47**	**0.01**
Add: Addition during the year	125.34	-	-
Less: Reversal during the year	-	(0.22)	-
Impairment allowance as per March 31, 2021	**372.49**	**0.25**	**0.01**

15. PROPERTY, PLANT AND EQUIPMENTS

₹ in lacs

Particulars	Land-Freehold	Building	Office equipments	Electrical Installations	Computer Equipments	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Cost:									
As at April 1, 2019	**2.59**	**12.94**	**3,235.57**	**3,521.56**	**7,662.36**	**2,664.58**	**57.35**	**13,092.62**	**30,249.57**
Additions	-	-	59.41	396.67	623.76	204.67	13.45	1,044.20	2,342.16
Disposals	-	-	65.20	105.35	352.90	25.31	0.54	113.18	662.47
As at March 31, 2020	**2.59**	**12.94**	**3,229.78**	**3,812.88**	**7,933.22**	**2,843.94**	**70.26**	**14,023.64**	**31,929.27**
Additions	-	-	69.14	189.49	793.72	117.77	27.52	685.58	1,883.22
Disposals	-	-	5.77	125.06	533.28	40.55	16.57	278.28	999.51
As at March 31, 2021	**2.59**	**12.94**	**3,293.15**	**3,877.31**	**8,193.66**	**2,921.16**	**81.21**	**14,430.94**	**32,812.98**
Accumulated depreciation and impairment:									
As at April 1, 2019	**-**	**3.85**	**2,556.99**	**1,402.44**	**5,686.82**	**1,459.31**	**25.38**	**10,492.30**	**21,627.09**
Disposals	-	-	57.23	68.90	334.73	19.09	0.36	88.66	568.97
Depreciation charge for the year	-	0.17	207.17	342.62	997.80	205.48	5.91	1,321.98	3,081.13
As at March 31, 2020	**-**	**4.02**	**2,706.93**	**1,676.16**	**6,349.89**	**1,645.70**	**30.93**	**11,725.62**	**24,139.25**
Disposals	-	-	5.51	87.59	506.65	24.90	11.80	246.97	883.42
Depreciation charge for the year	-	0.17	145.53	349.42	834.78	202.37	7.77	1,175.84	2,715.88
As at March 31, 2021	**-**	**4.19**	**2,846.95**	**1,937.99**	**6,678.02**	**1,823.17**	**26.90**	**12,654.49**	**25,971.71**
Net carrying amount as at March 31, 2020	**2.59**	**8.92**	**522.85**	**2,136.72**	**1,583.33**	**1,198.24**	**39.33**	**2,298.02**	**7,790.02**
Net carrying amount as at March 31, 2021	**2.59**	**8.75**	**446.20**	**1,939.32**	**1,515.64**	**1,097.99**	**54.31**	**1,776.45**	**6,841.27**

Carrying value of Property, plant and equipment pledged as collateral for liabilities or commitments as at March 31, 2021 is ₹ 2.31 lacs (March 31 2020: ₹ 2.31 lacs).

16. OTHER INTANGIBLE ASSETS

₹ in lacs

Particulars	Computer Software
Cost:	
As at April 01, 2019	**4,382.19**
Additions	518.29
Disposals	-
As at March 31, 2020	**4,900.48**
Additions	150.37
Disposals	-
As at March 31, 2021	**5,050.85**
Accumulated amortisation and impairment:	
As at April 01, 2019	**3,894.79**
Depreciation charge for the year	237.06
Disposals	-
As at March 31, 2020	**4,131.85**
Depreciation charge for the year	275.64
Disposals	
As at March 31, 2021	**4,407.49**
Net carrying amount as at March 31, 2020	**768.63**
Net carrying amount as at March 31, 2021	**643.36**

17. RIGHT OF USE ASSETS

As at March 31, 2021

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2020)	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2021
1	Office Premises	16,335.23	6,675.50	994.46	5,608.40	16,407.87
2	Furniture, Fittings & Others	243.55	-	-	112.54	131.01
	Total	**16,578.78**	**6,675.50**	**994.46**	**5,720.94**	**16,538.88**

As at March 31, 2020

₹ in lacs

Sr No.	Class of Underlying Asset	Opening Balance of Right-of-Use assets (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2019 of IND As 116 - Leases	Additions to Right-of-Use Assets, made during the year	Reduction in Right-of-Use Assets due to termination of Lease agreement	Amortisation for the year	Amount of Right-Of-Use Asset as on March 31, 2020
1	Office Premises	-	16,734.06	5,776.22	648.06	5,526.99	16,335.23
2	Furniture, Fittings & Others	-	352.20	12.33	7.88	113.10	243.55
	Total	**-**	**17,086.26**	**5,788.55**	**655.94**	**5,640.09**	**16,578.78**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

18. OTHER NON-FINANCIAL ASSETS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Goods and Service tax credit (input) receivable	9,035.62	6,317.85
Other Advances	250.42	243.88
Statutory duties paid under protest	766.66	766.66
Capital advances	88.06	71.09
Prepaid expenses	1,532.05	1,817.14
Repossessed House Property	7,116.63	7,290.55
Deposit with gratuity fund in excess of obligation	1,357.17	-
Total	**20,146.61**	**16,507.17**

19. OTHER PAYABLES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,333.36	8,096.32
Total	**8,352.26**	**8,096.32**

As at March 31, 2021

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.90	-	-	-	18.90
Others	8,331.37	1.99	-	-	8,333.36
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**8,350.27**	**1.99**	**-**	**-**	**8,352.26**

As at March 31, 2020

₹ in lacs

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-
Others	8,096.32	-	-	-	8,096.32
Disputed dues – MSME	-	-	-	-	-
Disputed dues – Others	-	-	-	-	-
Total	**8,096.32**	**-**	**-**	**-**	**8,096.32**

20. DEBT SECURITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At Amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Redeemable Non-Convertible Debentures (Secured)								
Public issue*	86,924.21	-	-	86,924.21	84,955.43	-	-	84,955.43
Privately placed **	3,89,851.76	-	-	3,89,851.76	3,92,996.77	-	-	3,92,996.77
Redeemable Non-Convertible Debentures (Unsecured)								
Privately placed	7,476.85	-	-	7,476.85	7,372.74	-	-	7,372.74
Total	**4,84,252.82**	**-**	**-**	**4,84,252.82**	**4,85,324.94**	**-**	**-**	**4,85,324.94**
Debt securities in India	4,84,252.82	-	-	4,84,252.82	4,85,324.94	-	-	4,85,324.94
Debt securities outside India	-	-	-	-	-	-	-	-
Total	**4,84,252.82**	**-**	**-**	**4,84,252.82**	**4,85,324.94**	**-**	**-**	**4,85,324.94**

* Includes ₹ 5,192.17 lacs (March 31, 2020 ₹5,167.81 lacs) issued to related parties.

** Includes ₹2,389.31 lacs (March 31, 2020 ₹2,311.51 lacs) issued to related parties.

A. Public Issue of Redeemable Non-Convertible Debentures (NCDs) Secured of ₹ 1,000/- each - Quoted

(i) Issued in 2019

₹ in lacs

Tranche I Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	42,330.07	41,656.21	30-Apr-21
Series II	9.54%	2,955.37	2,650.23	30-Apr-21
Series III	9.65%	6,985.01	6,910.72	30-Apr-22
Series IV	9.26%	4,034.35	3,986.74	30-Apr-22
Series V	9.64%	2,902.22	2,615.41	30-Apr-22
Series VI	9.75%	7,065.31	7,020.61	30-Apr-24
Series VII	9.35%	3,431.69	3,407.24	30-Apr-24
Series VIII	9.75%	2,450.56	2,216.93	30-Apr-24
		72,154.58	**70,464.09**	

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

20. DEBT SECURITIES (Contd.)

₹ in lacs

Tranche II Series	Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
Series I	9.55%	3,098.30	3,069.75	25-Sep-21
Series II	9.55%	617.73	558.28	25-Sep-21
Series III	9.70%	1,646.07	1,636.06	25-Sep-22
Series IV	9.30%	1,313.58	1,305.02	25-Sep-22
Series V	9.71%	938.58	850.15	25-Sep-22
Series VI	9.85%	5,420.43	5,401.17	25-Sep-24
Series VII	9.45%	1,092.30	1,088.07	25-Sep-24
Series VIII	9.88%	642.64	582.84	25-Sep-24
		14,769.63	**14,491.34**	
Grand Total - Tranche I and II		**86,924.21**	**84,955.43**	

Nature of security

The repayment of secured redeemable non convertible debentures of ₹ 1,000/- each at face value on maturity together with interest thereon are secured by mortgage of immovable property and by way of charge on the Group's specifically identified movable assets such as book debts / loan receivables in favour of the Trustees appointed.

The Group had utilised the entire sum of ₹ 78,200.81 lacs raised from public issue (net off expenses) towards financing activities as per the objects stated in the prospectus for the issue, and will have the flexibility in deploying the net proceeds and pending utilisation, if any, in temporarily investment in mutual funds, deposits with banks/institutions.

Secured redeemable non- convertible debentures may be bought back subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

B. Redeemable Non-Convertible Debentures - Secured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted and for two INEs - INE722A07AG5 and INE722A07AH3, the face value is ₹ 1,00,000/- each

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
8.20%	-	14,645.08	16-Apr-20
8.15%	-	43,630.87	27-May-20
9.30%	-	5,366.91	17-Jun-20
9.30%	-	5,358.07	22-Jun-20
8.15%	-	623.85	30-Jun-20
7.97%	-	24,174.40	6-Oct-20
7.97%	-	31,002.57	27-Oct-20
9.00%	-	4,148.82	27-Oct-20
9.40%	-	23,734.92	30-Dec-20
10.75% *	-	100.68	4-Feb-21
9.00%	-	5,056.62	12-Feb-21
9.50%	2,142.46	2,141.91	1-Jul-21
8.97%	3,539.24	3,539.24	12-Aug-21
9.80% #	-	63,017.54	21-Sep-21
10.25%	4,708.77	4,690.73	10-Oct-21
10.25%	1,568.27	1,561.85	13-Oct-21

20. DEBT SECURITIES (Contd.)

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
9.35%	1,534.72	1,531.78	26-Dec-21
9.70%**	54,807.61	54,173.67	5-Mar-22
8.98%	15,540.55	-	9-Mar-22
8.15%	9,983.63	-	21-Mar-22
9.90%	10,290.26	9,390.72	4-Apr-22
8.98%	20,713.25	-	6-Apr-22
8.15%	10,344.85	-	22-Apr-22
8.15%	2,529.63	-	18-May-22
8.95%	20,034.55	-	18-Aug-22
9.90%	10,992.93	10,013.85	29-Sep-22
8.09%	8,202.91	8,201.41	5-Dec-22
8.60%	14,825.47	-	27-Jan-23
9.25%	49,812.53	49,515.13	28-Feb-23
8.60%	47,903.37	-	1-Mar-23
9.25%**	2,479.95	2,460.66	5-Mar-23
8.90%	11,513.58	11,511.94	27-Mar-23
8.40%	19,705.94	-	30-Mar-23
9.00%	2,699.23	2,695.18	29-Apr-23
9.00%	1,618.41	1,615.98	2-May-23
8.40%	29,091.02	-	17-May-23
8.55%	4,264.59	-	5-Jun-23
9.25%	4,970.79	4,949.96	28-May-24
10.30%	4,153.85	4,142.43	10-Oct-24
9.25%	975.18	-	8-Feb-30
9.25%	4,833.76	-	22-Feb-30
9.60%	1,733.75	-	11-Dec-30
9.42%	2,121.20	-	15-Jan-31
9.50%	2,926.36	-	7-Feb-31
9.50%	7,289.15	-	21-Feb-31
Total	**3,89,851.76**	**3,92,996.77**	

* Repaid in installments.

Preclosed in Sep 2020.

** Two NCDs having INEs INE722A07AG5 and INE722A07AH3 have face value of ₹ 1,00,000/- each

Nature of security

The redemption of principal amount of secured redeemable non- convertible debentures with all interest thereon are secured by a mortgage on the specified immovable property and by way of charge on the Group's specifically identified assets such as book- debts/ loan receivables in favour of the trustee appointed.

These secured redeemable non-convertible debentures are redeemable at par over a period of 18 months to 120 months from the date of allotment depending on the terms of the agreement.

Out of the above, the following INE722A07AE0, INE722A07AF7 and INE722A07AG5 are totalling to ₹ 57,263.26 lacs (March 31, 2020 : 56,925.75 lacs) are having put option facility, as may be subject to applicable statutory and/ or regulatory requirements, upon the terms and conditions as may be decided by the Group.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

20. DEBT SECURITIES (Contd.)

C. Redeemable Non-Convertible Debentures - Unsecured

Privately Placed Redeemable Non-Convertible Debenture -Institutional

Details of Privately Placed Redeemable Non-Convertible Debenture (NCDs) of ₹ 10,00,000/- each - Quoted

₹ in lacs

Rate of Interest	As at March 31, 2021	As at March 31, 2020	Redemption Date
10.60%	2,513.00	2,468.36	9-May-21
10.60%	2,488.13	2,455.54	9-May-22
10.60%	2,475.72	2,448.84	9-May-23
Total	**7,476.85**	**7,372.74**	

These unsecured redeemable non-convertible debentures are redeemable at par over a period of 24 months to 49 months from the date of allotment depending on the terms of the agreement.

21. BORROWINGS (OTHER THAN DEBT SECURITIES)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Secured								
Term Loan								
from bank in INR	9,85,835.07	-	-	9,85,835.07	9,11,703.81	-	-	9,11,703.81
from financial institution/ NBFC in INR	2,87,417.80	-	-	2,87,417.80	77,520.84	-	-	77,520.84
from bank in INR-Securitisation	46,018.97	-	-	46,018.97	62,573.00	-	-	62,573.00
from financial institution/ NBFC in INR-Securitisation	2,99,853.14	-	-	2,99,853.14	3,19,206.50	-	-	3,19,206.50
Loans repayable on demand								
Cash credit / Overdraft facilities from banks	36,833.51	-	-	36,833.51	58,873.42	-	-	58,873.42
Working Capital demand loan from banks	1,81,514.47	-	-	1,81,514.47	1,57,988.63	-	-	1,57,988.63
Unsecured								
Commercial Papers	-	-	-	-	11,164.33	-	-	11,164.33
Total	**18,37,472.96**	**-**	**-**	**18,37,472.96**	**15,99,030.53**	**-**	**-**	**15,99,030.53**
Borrowings in India	18,37,472.96	-	-	18,37,472.96	15,99,030.53	-	-	15,99,030.53
Borrowings outside India	-	-	-	-	-	-	-	-
Total	**18,37,472.96**	**-**	**-**	**18,37,472.96**	**15,99,030.53**	**-**	**-**	**15,99,030.53**

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Bank in Indian currency-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.20% to 11.50%	3 to 60 installments of monthly, quarterly, Half-yearly frequency and Bullet Payment	2,58,246.82
12-24 months	7.30% to 10.60%	3 to 60 installments of monthly, quarterly, Half-yearly frequency	2,92,139.80
24-36 months	7.60% to 10.25%	4 to 60 installments of monthly, quarterly, Half-yearly frequency	2,28,268.62
36-48 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly, Half-yearly frequency	1,84,292.25
48-60 months	7.60% to 10.25%	8 to 60 installments of monthly, quarterly, Half-yearly frequency	22,887.58
Total			**9,85,835.07**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	7.55%-10.85%	2 to 60 installments of monthly, Quarterly, Half-yearly and annual frequency	1,61,489.37
12-24 months	8.35%-10.85%	3 to 24 installments of monthly, Quarterly, Half -yearly frequency	2,96,903.68
24-36 months	8.35%-10.60%	4 to 36 installments of monthly, Quarterly and Half-yearly frequency	2,32,163.29
36-48 months	8.60%-10.75%	4 to 19 installments of Quarterly and Half-yearly frequency	1,71,882.89
48-60 months	9.00%-10.00%	4 to 18 installments of Quarterly and Half-yearly frequency	49,264.58
Total			**9,11,703.81**

Nature of Security

Term Loans from banks are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Term Loan from Financial Institutions/ NBFC-Secured

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
Upto 12 months	6.21% to 10.35%	4 to 120 Monthly, Quarterly installments & Bullet Payment	46,771.99
12-24 months	7.10% to 10.35%	12 to 120 Monthly, Quarterly Installments	16,598.39
24 to 36 months	7.10% to 10.35%	10 to 120 Monthly, Quarterly Installments	8,213.89
36-48 months	7.10% to 10.50%	20 to 120 Monthly, Quarterly, Half-yearly Installments	30,563.18
48 to 60 months	7.20% to 10.35%	20 to 120 Monthly, Quarterly Installments	1,46,182.10
Above 60 months	8.75% to 10.35%	20 to 120 Monthly, Quarterly Installments	39,088.25
Total			**2,87,417.80**

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	Total Amount
24 to 36 months	8.65% to 10.00%	12 to 20 Quarterly Installments	20,922.83
48 to 60 months	8.80% to 10.50%	19 to 20 Quarterly, Half-yearly installments	56,117.64
Above 60 months	9.85% to 9.95%	47 Quarterly installments	480.37
Total			**77,520.84**

Nature of security

Term loans from institutions are secured by an exclusive charge by way of hypothecation of specific assets under financing.

Term loan from banks - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	610.77
12-24 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	260.23
24 to 36 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	289.77
36-48 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	321.97
48 to 60 months	7.99% to 10.00%	1 to 290 installments of monthly frequency	38,963.25
Above 60 months	7.99% to 8.90%	227 to 290 installments of monthly frequency	5,572.98
Total			**46,018.97**

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.00%	227 installments of monthly frequency	212.48
12-24 months	10.00%	227 installments of monthly frequency	163.30
24 to 36 months	10.00%	227 installments of monthly frequency	183.62
36-48 months	10.00%	227 installments of monthly frequency	204.88
48 to 60 months	10.00%	227 installments of monthly frequency	225.19
Above 60 months	9.10% to 10.00%	1 to 227 installments of monthly frequency	61,583.53
Total			**62,573.00**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Term loan from Financial Institutions/ NBFC - INR -Securitisation

Terms of Repayment as at March 31, 2021

₹ in lacs

Tenure (from the date of the Balance Sheet)	Rate of interest	Repayment details	Total Amount
Upto 12 months	10.40%	1 to 23 installments of monthly frequency	445.01
12-24 months	8.20% to 10.55%	1 to 30 installments of monthly frequency	72,922.50
24-36 months	8.20% to 10.25%	1 to 52 installments of monthly frequency	76,426.41
36-48 months	10.25% to 10.30%	1 to 72 installments of monthly frequency	40,005.80
48-60 months	9.00% to 10.25%	1 to 72 installments of monthly frequency	45,937.46
Above 60 months	9.11%	1 to 75 installments of monthly frequency	64,115.96
Total			**2,99,853.14**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

21. BORROWINGS (OTHER THAN DEBT SECURITIES) (Contd.)

Terms of Repayment as at March 31, 2020

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of interest	Repayment details	Total Amount
12-24 Months	7.05% to 10.65%	1 to 54 installments of monthly frequency	28,631.34
24-36 Months	8.50% to 10.55%	1 to 30 installments of monthly frequency	1,36,482.01
36-48 Months	10.25%	1 to 52 installments of monthly frequency	9,744.04
48-60 Months	10.25% to 10.30%	1 to 72 installments of monthly frequency	66,043.16
Above 60 Months	9.00% to 10.25%	1 to 72 installments of monthly frequency	78,305.94
Total			**3,19,206.50**

Nature of security

Secured by an exclusive charge by way of hypothecation of specific movable assets being fixed/current assets relating to hypothecation loans.

Loans repayable on demand-Secured

Cash Credit from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.30% to 11.80%	36,833.51	58,873.42
Total		**36,833.51**	**58,873.42**

Working capital Demand loan from Banks

₹ in lacs

Particulars	Rate of Interest	As at March 31, 2021	As at March 31, 2020
Secured with exclusive charge by way of hypothecation of specific assets under financing.	7.20% to 11.05%	1,81,514.47	1,57,988.63
Total		**1,81,514.47**	**1,57,988.63**

Commercial Papers-Unsecured

₹ in lacs

Tenor (from the date of Balance Sheet date)	Rate of Interest	Repayment Details	As at March 31, 2021	As at March 31, 2020
Upto 12 Months	7.40% to 9.45%	Bullet Repayment	-	11,164.33
Total			**-**	**11,164.33**

22. DEPOSITS

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Deposits								
Public deposits	5,52,881.69	-	-	5,52,881.69	4,01,206.80	-	-	4,01,206.80
Recurring deposits	7.09	-	-	7.09	-	-	-	-
Total	**5,52,888.78**	**-**	**-**	**5,52,888.78**	**4,01,206.80**	**-**	**-**	**4,01,206.80**

Deposits issued to directors : Nil (March 31, 2020: Nil)

Details of Public Deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	65,754.95	97,205.09	-	1,62,960.04
12-24 months	23,585.51	1,22,138.47	-	1,45,723.98
24-36 months	17,871.37	1,17,186.77	-	1,35,058.15
36-48 months	775.24	43,779.59	-	44,554.83
48-60 months	-	64,584.70	-	64,584.70
Total	**1,07,987.07**	**4,44,894.62**	**-**	**5,52,881.69**

Terms of Repayment as at March 31, 2020

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	73,326.28	48,075.09	82.00	1,21,483.37
12-24 months	12,598.21	88,697.07	-	1,01,295.28
24-36 months	9,590.74	1,10,306.60	-	1,19,897.34
36-48 months	1,014.82	18,843.11	-	19,857.93
48-60 months	-	38,672.87	-	38,672.87
Total	**96,530.05**	**3,04,594.75**	**82.00**	**4,01,206.80**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

22. DEPOSITS (Contd.)

Details Recurring deposits - Unsecured

Terms of Repayment as at March 31, 2021

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest			Total
	>= 6% < 8%	>= 8% < 10%	>= 10% < 12%	
Upto 12 months	2.10	-	-	2.10
12-24 months	0.49	-	-	0.49
24-36 months	-	0.70	-	0.70
36-48 months	-	0.05	-	0.05
48-60 months	-	3.75	-	3.75
Total	**2.59**	**4.50**	**-**	**7.09**

Terms of Repayment as at March 31, 2020

Outstanding as at March 31, 2020 : Nil

23. SUBORDINATED LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total	At amortised cost	At fair value through profit and loss account	Designated at fair value through profit and loss account	Total
Subordinated Debts (Unsecured)	-	-	-	-	23,923.91	-	-	23,923.91
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**
Subordinate liabilities in India	-	-	-	-	23,923.91	-	-	23,923.91
Subordinate liabilities outside India	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**23,923.91**	**-**	**-**	**23,923.91**

Terms of repayment as at March 31, 2021

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted: Nil

Terms of repayment as at March 31, 2020

Privately Placed Subordinated Debts of ₹ 1,000/- Each - Unquoted

₹ in lacs

Redeemable at par (from the date of Balance Sheet Date)	Rate of interest	Total
	>= 10% < 12%	
Upto 12 months*	23,923.91	23,923.91
Total	**23,923.91**	**23,923.91**

* Includes ₹ 4.70 lacs issued to related parties

24. OTHER FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Investor education and protection fund shall be credited by the following amounts (as and when due) #		
- Unclaimed matured deposits and interest thereon	6,156.82	10,983.54
- Unclaimed matured debentures and interest thereon	573.98	756.45
- Unpaid dividend	86.42	92.88
- Unclaimed matured subordinate debts and interest accrued thereon	2,059.81	5,486.68
Payable on account of Assignment	3,283.44	7,814.04
Royalty payable	1,641.31	1,638.78
Creditors for Supplies & Services	562.71	281.34
Employee related payables	5,031.90	5,741.39
Lease Liability	17,763.36	17,150.33
COVID-19 Ex-gratia relief Payable	140.10	-
Dividend payable*	6,600.50	-
Total	**43,900.35**	**49,945.43**

There are no amounts due to be transferred to Investor Education and Protection Fund (IEPF)

* Represents Interim dividend declared on March 26, 2021 which is payable to the shareholders whose names appeared on the register of members as at April 7, 2021 being record date. This second interim dividend was paid to shareholders on April 19, 2021.

Lease Liability

As at March 31, 2021

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2020)	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Rent lease concession	Amount of Lease Liabilities as on March 31, 2021
Office Premises	16,861.79	6,424.96	1,046.66	1,791.45	5,923.00	510.91	17,597.63
Furniture, Fixtures & Others	288.54	-	-	21.41	144.22	-	165.73
Total	**17,150.33**	**6,424.96**	**1,046.66**	**1,812.86**	**6,067.22**	**510.91**	**17,763.36**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

24. OTHER FINANCIAL LIABILITIES (Contd.)

As at March 31, 2020

₹ in lacs

Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on April 1, 2019)	Recognised on transition as on April 1, 2020 of IND As 116 - Leases	Additions to Lease Liabilities, made during the year	Reduction in Lease Liabilities due to termination of Lease agreement	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2020
Office Premises	-	16,551.55	5,329.55	656.04	1,704.04	6,067.32	16,861.79
Furniture, Fixtures & Others	-	386.65	12.48	8.33	31.60	133.86	288.54
Total	**-**	**16,938.20**	**5,342.03**	**664.37**	**1,735.64**	**6,201.18**	**17,150.33**

The table below provides details regarding the contractual maturities of lease liabilities.

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Undiscounted Basis	Discounted Basis	Undiscounted Basis	Discounted Basis
Not later than one year	6,114.23	4,578.95	6,030.37	4,552.38
Later than one year but not later than five years	12,670.09	9,727.25	12,608.04	10,071.45
Later than 5 years	4,001.98	3,457.16	2,962.62	2,526.50
Total	**22,786.30**	**17,763.36**	**21,601.03**	**17,150.33**

Qualitative Disclosures - Lease Liability:

The leased building are used to carry out business operations and related support activities. The future cash outflows on lease payments are fixed in nature, subject to escalations. The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. No restrictions or covenants are imposed by lease agreements.

25. PROVISIONS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
For Employee benefit		
- Gratuity	-	1,154.81
- Provision for compensated absences	2,413.52	2,799.55
For Others		
- Undrawn loan commitment	325.14	161.10
Total	**2,738.66**	**4,115.46**

Loan Commitment

Credit quality of exposure

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system are explained in Note 47.2 along policies on whether ECL allowances are calculated on an individual or collective basis.

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Internal Rating Grade								
Performing								
High Grade	23,585.47	-	-	23,585.47	19,229.08	-	-	19,229.08
Standard Grade	60.60	-	-	60.60	118.20	-	-	118.20
Sub Standard Grade	-	86.38	-	86.38	-	52.31	-	52.31
Past due but not impaired	-	54.15	-	54.15	-	9.96	-	9.96
Non - Performing								
Individually Impaired	-	-	-	-	-	-	-	-
Total	**23,646.07**	**140.53**	**-**	**23,786.60**	**19,347.28**	**62.27**	**-**	**19,409.55**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other undrawn loan commitments is, as follows:

Gross exposure reconciliation

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Opening balance of outstanding exposure	**19,347.28**	**62.27**	**-**	**19,409.55**	**6,586.99**	**120.41**	**-**	**6,707.40**
New exposures	20,007.02	-	-	20,007.02	16,814.97	-	-	16,814.97
Exposures derecognised or matured/repaid (excluding write offs)	(15,589.17)	(40.80)	-	(15,629.97)	(4,040.48)	(72.34)	-	(4,112.82)
Transfer to Stage 1	-	-	-	-	(14.20)	14.20	-	-
Transfer to Stage 2	(119.06)	119.06	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

25. PROVISIONS (Contd.)

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Closing balance of outstanding exposure	**23,646.07**	**140.53**	**-**	**23,786.60**	**19,347.28**	**62.27**	**-**	**19,409.55**

Reconciliation of ECL balance in relation to other undrawn loan commitments is given below:

₹ in lacs

Particulars	As at March 31, 2021				As at March 31, 2020			
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Total
ECL allowance - opening balance	**158.66**	**2.44**	**-**	**161.10**	**34.50**	**4.93**	**-**	**39.43**
New exposures	300.95	-	-	300.95	146.13	-	-	146.13
Exposures derecognised or matured/repaid (excluding write offs)	(135.24)	(1.67)	-	(136.91)	(22.86)	(1.60)	-	(24.46)
Transfer to Stage 1	-	-	-	-	0.89	(0.89)	-	-
Transfer to Stage 2	(3.46)	3.46	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-	-	-	-	-
ECL allowance - closing balance	**320.91**	**4.23**	**-**	**325.14**	**158.66**	**2.44**	**-**	**161.10**

26. OTHER NON-FINANCIAL LIABILITIES

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	2,511.07	2,339.94
Retention money and other sundry liabilities	27.66	39.20
Total	**2,538.73**	**2,379.14**

27. EQUITY SHARE CAPITAL

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised:		
11,85,00,000 (March 31, 2020: 11,85,00,000) equity shares of ₹ 10/- each	11,850.00	11,850.00
40,00,000 (March 31, 2020: 40,00,000) cumulative redeemable preference shares of ₹ 100/- each	4,000.00	4,000.00
Total	**15,850.00**	**15,850.00**
Issued share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Subscribed share capital		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Paid up (fully paid up)		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**
Issued, Subscribed and fully paid up Equity Shares		
6,60,05,022 (March 31, 2020 : 6,60,02,922) equity shares of ₹ 10/- each	6,600.50	6,600.29
Total Equity	**6,600.50**	**6,600.29**

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	No. of Shares	₹ in lacs
As at April 1, 2019	**6,59,92,317**	**6,599.23**
Issued during the year	10,605	1.06
As at March 31, 2020	**6,60,02,922**	**6,600.29**
Issued during the year	2,100	0.21
As at March 31, 2021	**6,60,05,022**	**6,600.50**

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended March 31, 2021, the amount of per equity share dividend proposed in total for distributions to equity shareholders is ₹ 33.00 (March 31, 2020 : ₹ 6.00). Out of the said total dividend proposed for the year ended March 31, 2021, amount of interim dividend paid during the year was ₹ 20 (March 31, 2020 : ₹ 6.00) per equity share and amount of final dividend proposed by the Board of Directors is ₹ 13.00 (March 31, 2020: Nil) per equity share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued total 77,870 (March 31, 2020 : 97,310) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP), wherein a part of the consideration was received in form of employee service.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

27. EQUITY SHARE CAPITAL (Contd.)

d. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Shriram Capital Limited	2,23,71,594	33.89%	2,23,71,594	33.89%
Dynasty Acquisition FPI Limited	1,34,21,889	20.33%	1,34,21,889	20.34%
Piramal Enterprises Limited	65,79,840	9.97%	65,79,840	9.97%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders/ members regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Refer note 45 - Capital for the Company's objectives, policies and processes for managing capital

28. OTHER EQUITY

₹ in lacs

Particulars	Amount
Securities Premium Account	
As at April 1, 2019	**1,84,901.29**
Add: Premium on shares issued under Employee Stock Option Plan	26.67
As at March 31, 2020	**1,84,927.96**
Add: Premium on shares issued under Employee Stock Option Plan	5.28
As at March 31, 2021	**1,84,933.24**
Share Option Outstanding	
As at April 1, 2019	**65.86**
Employee Stock option expenses/ other expenses	45.20
Less: Adjustment on Exercise of Employee Stock Option Plan	(24.02)
Transfer from / to Retained Earning	2.02
As at March 31, 2020	**89.06**
Add: Expenses on Employee Stock Option Plan	1,929.15
Less: Adjustment on Exercise of Employee Stock Option Plan	(4.76)
Transfer from / to Retained Earning	(1.40)
As at March 31, 2021	**2,012.05**
Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	
As at April 1, 2019	**1,08,411.30**
Add: Amount transferred from Retained Earnings	20,020.00
As at March 31, 2020	**1,28,431.30**
Add: Amount transferred from Retained Earnings	20,490.00
As at March 31, 2021	**1,48,921.30**
Statutory Reserve pursuant to section 29C of the NHB Act, 1987	
As at April 01, 2019	**2,161.99**
Add: Amount transferred from Retained Earnings	720.58
As at March 31, 2020	**2,882.57**
Add: Amount transferred from Retained Earnings	968.72
As at March 31, 2021	**3,851.29**

28. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Debenture Redemption Reserve (DRR)	
As at April 1, 2019	**2,844.29**
Add: Amount transferred from Retained Earnings	2,930.90
Less: Amount transferred to General Reserve on redemption of debentures	(2,911.54)
Less: Amount transferred to General Reserve as DRR is not required vide MCA notification dated August 16 ,2019	(2,863.65)
As at March 31, 2020	**-**
Add: Amount transferred from Retained Earnings	-
Less: Amount transferred to General Reserve on redemption of debentures	-
As at March 31, 2021	**-**
General Reserve	
As at April 1, 2019	**85,339.27**
Add: Amount transferred from Retained Earnings	10,010.00
Add: Transfer from Debenture redemption reserve on redemption of debentures	2,911.54
Add: Amount transferred from Debenture Redemption Reserve as DRR is not required vide MCA notification dated August 16, 2019	2,863.65
As at March 31, 2020	**1,01,124.46**
Add: Amount transferred from Retained Earnings	10,250.00
As at March 31, 2021	**1,11,374.46**
Capital Reserve	
As at April 1, 2019	**7,871.88**
As at March 31, 2020	**7,871.88**
As at March 31, 2021	**7,871.88**
Capital Redemption Reserve	
As at April 1, 2019	**2,328.98**
As at March 31, 2020	**2,328.98**
As at March 31, 2021	**2,328.98**
Other Comprehensive Income	
As at April 1, 2019	**(683.12)**
Remeasurement gain/ (loss) on defined benefit plan	(333.27)
Gain/(Loss) on Fair valuation of quoted investments in equity shares	(664.10)
Income Tax Provision/ (Reversal) on above	113.38
As at March 31, 2020	**(1,567.11)**
Remeasurement gain/ (loss) on defined benefit plan	1,181.15
Gain/(Loss) on Fair valuation of quoted investments in equity shares	768.97
Income Tax Provision/ (Reversal) on above	(633.44)
As at March 31, 2021	**(250.44)**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

28. OTHER EQUITY (Contd.)

₹ in lacs

Particulars	Amount
Retained Earnings	
As at April 1, 2019	**2,58,588.75**
Add: Profit for the year	1,02,262.95
Add/(Less): Appropriations and other Adjustments	
Transfer to Debenture Redemption Reserve	(2,930.90)
Final Dividend on Equity Shares FY 2018-19	(10,559.22)
Tax on Final Dividend on Equity Shares FY 2018-19	(2,170.48)
Interim Equity Dividend FY 2019-20	(3,959.76)
Tax on Interim Dividend on Equity Shares FY 2019-20	(813.94)
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,020.00)
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	(720.58)
Transfer to General reserve	(10,010.00)
As at March 31, 2020	**3,09,666.82**
Add: Profit for the year	1,06,352.34
Add/(Less): Appropriations and other Adjustments	-
Interim Equity Dividend FY 2020-21	(13,200.93)
Transfer to Employee Stock Option Plan	1.40
Transfer to Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	(20,490.00)
Transfer to Statutory Reserve pursuant to section 29C of the NHB Act, 1987	(968.72)
Transfer to General reserve	(10,250.00)
As at March 31, 2021	**3,71,110.91**
Total other equity	
As at April 1, 2019	**6,49,668.50**
As at March 31, 2020	**7,35,755.92**
As at March 31, 2021	**8,32,153.68**

Proposed Dividend on equity shares

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The Board proposed dividend on equity shares		
Proposed dividend on equity shares for the year ended on March 31, 2021: ₹ 13.00 (March 31, 2020: Nil) per share	8,580.65	-
Total	**8,580.65**	**-**

Nature and purpose of reserves

Securities Premium Reserve: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital Reserve: Capital reserve is the excess of net assets taken over cost of consideration paid during amalgamation.

Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on redemption of Non-Convertible Redeemable Preference Shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the Non-Convertible Redeemable Preference Shares redeemed. The Group may issue fully paid up bonus shares to its members out of the capital redemption reserve account.

28. OTHER EQUITY (Contd.)

Debenture Redemption Reserve: Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to Debenture Redemption Reserve (DRR) and no DRR is required in case of privately placed debenture. Also the Company is required before 30th day of April of each year to deposit or invest, as the case may be, a sum which shall not be less than 15% of the amount of its debenture issued through public issue maturing within one year from the balance sheet date. In respect of the debentures issued through public issue, the Company is not required to create DRR vide MCA notification dated August 16 ,2019. The Company has deposited a sum of Nil (March 31, 2020: Nil) with scheduled banks, as there are no debentures issued through public issue, which were due for redemption during the year.

General Reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Statutory Reserve: Every year the Company transfers a of sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

The conditions and restrictions for distribution attached to statutory reserves as specified in Section 45-IC(1) in The Reserve Bank of India Act, 1934:

(1) Every non-banking financial company (NBFC) shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

(2) No appropriation of any sum from the reserve fund shall be made by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal.Provided that the RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty-one days by such further period as it thinks fit or condone any delay in making such report.

(3) Notwithstanding anything contained in sub-section (1) the Central Government may, on the recommendation of the RBI and having regard to the adequacy of the paid-up capital and reserves of a NBFC in relation to its deposit liabilities, declare by order in writing that the provisions of sub-section (1) shall not be applicable to the NBFC for such period as may be specified in the order.Provided that no such order shall be made unless the amount in the reserve fund under sub-section (1) together with the amount in the share premium account is not less than the paid-up capital of the NBFC.

Statutory Reserve: The Subsidiary Company creates Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987. The Subsidiary Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Retained earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, debenture redemption reserve, general reserve, dividends distributions paid to shareholders and transfer from debenture redemption reserve.

Other Comprehensive Income: Other comprehensive income consists of remeasurement of net defined benefit liability / asset, FVTOCI financial liabilities and financial assets and currency translation.

Share Option Outstanding: The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

29. INTEREST INCOME

₹ in lacs

Particulars	Year ended March 31, 2021				Year ended March 31, 2020			
	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total	On Financial Assets measured at FVTOCI	On Financial Assets measured at Amortised cost	Interest income on Financial Assets classified at FVTPL	Total
Interest on Loans	-	5,74,261.65	-	5,74,261.65	-	5,86,587.91	-	5,86,587.91
Interest income from investments	177.51	2,799.65	-	2,977.16	316.35	2,827.05	-	3,143.40
Interest on deposits with Banks								
- Margin money deposit	-	4,211.17	-	4,211.17	-	2,402.72	-	2,402.72
- Other Deposits	-	8,737.21	-	8,737.21	-	5,301.90	-	5,301.90
Interest on Others	-	108.89	-	108.89	-	73.52	-	73.52
Total	**177.51**	**5,90,118.57**	**-**	**5,90,296.08**	**316.35**	**5,97,193.10**	**-**	**5,97,509.45**

30. FEE AND COMMISSION INCOME

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from commission services	3,075.78	783.64
Income from collection services	256.20	573.56
Income from other services	1,301.56	-
Total	**4,633.54**	**1,357.20**

Revenue from contracts with customers

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Type of Services or Service		
Fee and commission income	4,633.54	1,357.20
Total revenue from contract with customers	**4,633.54**	**1,357.20**
Geographical markets		
India	4,633.54	1,357.20
Outside India	-	-
Total revenue from contract with customers	**4,633.54**	**1,357.20**
Timing of revenue recognition		
Services transferred at a point in time	3,443.07	1,357.20
Services transferred over time	1,190.47	-
Total revenue from contracts with customers	**4,633.54**	**1,357.20**

Contract Balance

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables	239.62	93.12
Less: Impairment loss allowances	(9.63)	(3.36)
Net Trade Receivables	**229.99**	**89.76**
Contract Assets	-	-
Total	**229.99**	**89.76**

The Group does not have any contract assets or liability, hence disclosures related to it has not been presented.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

31. NET GAIN/(LOSS) ON FAIR VALUE CHANGES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/ (loss) on financial instruments at fair value through profit or loss		
- Investments	907.24	1,162.49
- Derivatives	-	(81.61)
Total Net gain/(loss) on fair value changes	**907.24**	**1,080.88**
Fair Value changes:		
- Realised	840.55	2,109.55
- Unrealised	66.69	(1,028.67)
Total Net gain/(loss) on fair value changes	**907.24**	**1,080.88**

32. FINANCE COST

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest expense on						
Fixed Deposits	-	42,630.98	42,630.98	-	31,490.80	31,490.80
Subordinated liabilities	-	612.93	612.93	-	5,619.14	5,619.14
Borrowings (other than debt securities)						
- Loans from Banks	-	87,173.46	87,173.46	-	96,349.37	96,349.37
- Loans from Financial Institution/ NBFC	-	12,352.82	12,352.82	-	6,320.63	6,320.63
- Loans from Financial Institution/ NBFC- Securitisation	-	27,498.89	27,498.89	-	21,521.54	21,521.54
- Loans from Banks- Securitisation	-	4,295.51	4,295.51	-	1,208.38	1,208.38
- Working Capital Demand Loans	-	15,947.32	15,947.32	-	13,624.44	13,624.44
- Cash Credit	-	1,922.69	1,922.69	-	4,012.56	4,012.56
- Commercial Paper	-	35.67	35.67	-	7,557.63	7,557.63
Debt securities	-	39,618.17	39,618.17	-	40,789.19	40,789.19
Interest on Tax Liability	-	89.02	89.02	-	83.19	83.19
Interest on Defined Benefit Plan	-	80.93	80.93	-	13.62	13.62
Finance Cost on Lease liability	-	1,812.86	1,812.86	-	1,735.64	1,735.64
Total	**-**	**2,34,071.25**	**2,34,071.25**	**-**	**2,30,326.13**	**2,30,326.13**

33. IMPAIRMENT ON FINANCIAL INSTRUMENTS

₹ in lacs

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total	On Financial instruments measured at Fair Value through OCI	On Financial instruments measured at Amortised cost	Total
Loans and advances to customers	-	1,360.84	1,360.84	-	12,736.69	12,736.69
Investments	(0.58)	0.79	0.21	(2.94)	-	(2.94)
Others						
- Undrawn Commitments	-	164.03	164.03	-	121.68	121.68
- Trade receivables	-	6.27	6.27	-	3.36	3.36
- Lease Receivables	-	(0.22)	(0.22)	-	0.47	0.47
- Assignment Receivables	-	125.35	125.35	-	247.15	247.15
- Investment Through PTC	-	6.47	6.47	-	-	-
Total	**(0.58)**	**1,663.53**	**1,662.95**	**(2.94)**	**13,109.35**	**13,106.41**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Year ended March 31, 2021

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	5,377.70	5,439.98	(9,456.85)	-	-	1,360.83
Investment	0.21	-	-	-	-	0.21
Others						
- Undrawn Commitments	162.25	1.78	-	-	-	164.03
- Trade receivables	-	-	-	-	6.27	6.27
- Assignment Receivables	126.08	23.18	36.27	-	(60.17)	125.36
- Lease Receivables	-	-	-	-	(0.22)	(0.22)
- Investment Through PTC	-	-	-	-	6.47	6.47
Total impairment loss	**5,666.24**	**5,464.94**	**(9,420.58)**	**-**	**(47.65)**	**1,662.95**

Year ended March 31, 2020

₹ in lacs

Particulars	General Approach				Simplified Approach	Total
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI		
Loans and advances to customers	25,091.05	(10,598.51)	(1,755.85)	-	-	12,736.69
Investment	(2.94)	-	-	-	-	(2.94)
Others						
- Undrawn Commitments	124.17	(2.49)	-	-	-	121.68
- Trade receivables	-	-	-	-	3.36	3.36
- Assignment Receivables	184.14	0.69	-	-	62.32	247.15
- Lease Receivables	-	-	-	-	0.47	0.47
Total impairment loss	**25,396.42**	**(10,600.31)**	**(1,755.85)**	**-**	**66.15**	**13,106.41**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

34. BAD DEBTS WRITTEN OFF

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loans and advances written off	85,068.81	77,384.15
Repossessed assets written off	327.58	439.67
Total	**85,396.39**	**77,823.82**

35. EMPLOYEE BENEFIT EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, other allowances and bonus	73,863.96	83,393.14
Contribution to provident and other funds	5,041.46	5,569.59
Staff welfare expenses	1,354.14	1,457.96
Share based payments to employees	1,953.07	58.50
Gratuity expenses	777.20	649.81
Interest Expenses on Staff Loan	22.91	8.37
Total	**83,012.74**	**91,137.37**

36. DEPRECIATION, AMORTISATION AND IMPAIRMENT

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets	2,715.88	3,081.13
Amortisation of intangible assets	275.64	237.06
Amortisation on right of use assets	5,720.94	5,640.09
Total	**8,712.46**	**8,958.28**

37. OTHER EXPENSES

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	109.10	104.77
Power and fuel	864.53	1,067.80
Repairs and maintenance		
- Buildings	1,108.89	1,197.71
- Office equipments	38.84	45.64
Office expenses	1,693.03	1,546.28
Rates and taxes	1,554.70	1,992.61
Printing and stationery	1,765.70	2,885.32
Travelling and conveyance	2,068.38	4,340.23
Advertisement	292.88	612.30
Business promotion	4,678.30	4,582.00
Directors' sitting fees	54.23	45.74
Insurance	457.23	418.83
Communication expenses	2,442.74	3,047.01
Bank charges	1,632.68	1,567.76
Legal and Professional Fees	1,397.45	1,628.54
Loss on sale of Property, plant and equipment	66.15	44.86
Public issue expenses for non-convertible debentures	-	0.83
CSR expenses	2,273.88	1,081.38
Mortgage Guarantee Fees	117.56	202.52
Miscellaneous expenses	1,115.54	1,931.00
Auditor fees		
(a) Audit Fees	56.06	59.51
(b) Tax Audit Fees	12.04	6.59
(c) Certification Fees	12.04	6.70
(d) Out of Pocket	0.58	10.16
Total	**23,812.53**	**28,426.09**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

38. INCOME TAX

38.1 The components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	47,155.66	35,661.16
Income tax of earlier years	(190.33)	1,325.99
Deferred tax relating to origination and reversal of temporary differences	(6,935.69)	340.01
Total tax charge	**40,029.64**	**37,327.16**

38.2 Reconciliation of the total tax charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at Indian corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and March 31, 2020 is, as follows:

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	**1,47,801.18**	**1,40,648.42**
At India's statutory income tax rate for Shriram City Union Finance Limited: 25.168% (2020: 25.168%), For Shriram Housing Finance Limited: 25.168% (2020: 29.12%)	37,088.14	35,740.70
Tax at special rate on Capital Gain of Nil (March 31, 2020: ₹ 1,048.04 lacs at 22.88%)	-	239.79
Total Tax	**37,088.14**	**35,980.49**
Corporate social responsibility expenditure not allowable for tax purpose	566.00	267.99
Deduction under chapter VIA of the Income Tax Act, 1961 (2019:section 80G and 80JJAA)	(202.80)	(388.79)
Income tax of earlier years	(190.33)	1,324.24
Tax impact of Bonus payable to employees allowable on payment basis	1,035.21	415.71
Others	1,733.42	(272.48)
Income tax expense reported in the statement of profit or loss	**40,029.64**	**37,327.16**
Effective income tax rate %	27.08%	26.54%

38. INCOME TAX (Contd.)

38.3.1 Deferred Tax - Shriram City Union Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	1,820.79	-	(98.22)	-
Net Right to use Asset and future rent liability	286.62	-	(163.29)	-
Expenses allowable for tax purpose when paid	1,072.52	-	961.59	439.31
EIR impact on debt instrument measured at Amortised Cost	44.41	25.43	(113.69)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	48.14	58.90	33.21	193.53
Impact of amortisation of processing fees on Loans and Advances	292.82	-	144.28	-
Provision for Impairment of Financial Assets at amortised cost	9,090.12	-	(9,090.12)	-
Other temporary differences	244.19	-	(49.11)	-
Total	**12,899.61**	**84.33**	**(8,375.35)**	**632.84**

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	1,722.57	-	470.77	-
Net Right to use Asset and future rent liability	123.33	-	(123.33)	-
Expenses allowable for tax purpose when paid	2,473.42	-	(249.48)	51.63
EIR impact on debt instrument measured at Amortised Cost	-	94.71	(313.64)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	241.67	25.69	(347.11)	(167.14)
Impact of amortisation of processing fees on Loans and Advances	437.10	-	540.62	-
Other temporary differences	224.57	29.49	(94.35)	-
Total	**5,222.66**	**149.89**	**(116.52)**	**(115.51)**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

38. INCOME TAX (Contd.)

38.3.2 Deferred Tax - Shriram Housing Finance Limited

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2021	As at March 31, 2021	Year ended March 31, 2021	Year ended March 31, 2021
Property, plant and equipment and intangible assets	22.80	-	(18.33)	-
Net Right to use Asset and future rent liability	33.93	-	(11.54)	-
Expenses allowable for tax purpose when paid	-	-	(40.30)	-
EIR impact on debt instrument measured at Amortised Cost	-	17.85	(18.83)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	-	-	-
Impact of amortisation of processing fees on Loans and Advances	20.99	56.79	32.52	-
Provision for Impairment of Financial Assets at amortised cost	1,191.19	-	(1,191.19)	-
Special Reserve u/s 36 1(viii)	-	607.70	(133.94)	-
Other temporary differences	75.00	3,198.52	2,821.27	0.78
Total	**1,343.91**	**3,880.86**	**1,439.66**	**0.78**

₹ in lacs

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	As at March 31, 2020	As at March 31, 2020	Year ended March 31, 2020	Year ended March 31, 2020
Property, plant and equipment and intangible assets	4.47	-	8.89	-
Net Right to use Asset and future rent liability	22.39	-	18.33	-
Expenses allowable for tax purpose when paid	-	97.09	(75.49)	-
EIR impact on debt instrument measured at Amortised Cost	-	36.68	(29.96)	-
Impact of Fair valuation on Investments measured at Fair value through Profit and loss Account	-	-	-	-
Impact of amortisation of processing fees on Loans and Advances	53.51	-	82.94	-
Special Reserve u/s 36 1(viii)	-	741.64	69.91	-
Other temporary differences	260.43	351.87	381.91	2.76
Total	**340.80**	**1,227.28**	**456.53**	**2.76**

38. INCOME TAX (Contd.)

38.4 Amount recognised in respect of current tax/ deferred tax directly in equity:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in respect of current tax/ deferred tax directly in equity	-	-

38.5 Tax losses and Tax credits

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Unused Capital Gains tax losses for which no deferred tax asset has been recognised	-	-
Unused Tax Credits-MAT credit entitlement	-	-

38.6 Current Tax Assets (Net)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provision for tax) [provision for income tax March 31, 2021: ₹ 3,73,376.02 lacs March 31, 2020: ₹ 3,26,620.72 lacs]	4,921.74	15,136.41
Total	**4,921.74**	**15,136.41**

39. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the group by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of group (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares and issue of Employee Stock Options.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net Profit after tax attributable to the owners of the Company as per Statement of Profit and Loss (₹ in lacs) (A)	1,06,352.34	1,02,262.95
Weighted average number of ordinary shares for basic earnings per share (₹ in lacs) (B)	660.04	659.97
Effect of dilution:		
Stock options granted under ESOP (Nos. in lacs)	1.54	0.13
Weighted average number of ordinary shares adjusted for effect of dilution (₹ in lacs) (C)	661.58	660.10
Earnings per share		
Basic earnings per share (₹) (A/B)	**161.13**	**154.95**
Diluted earnings per share (₹) (A/C)	**160.76**	**154.92**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

40. INVESTMENT IN SUBSIDIARY

Name of the subsidiary	Country of Incorporation	Principal place of business	Principal activities	For the year ending	No. of Equity Shares Held (FV of ₹ 10 /- each)	% of equity interest
Shriram Housing Finance Limited	India	Mumbai	Housing Finance	March 31, 2021	16,54,40,000	77.25%
				March 31, 2020	16,54,40,000	77.25%

Statement of Net Assets, Profit and Loss and Other Comprehensive Income attributable to owners and Non Controlling Interest as on March 31, 2021

₹ in lacs

Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profits/(loss)		Share in Other Comprehensive Income/ (Loss)		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount	As % of Consolidated profit / (loss)	Amount
Parent - Shriram City Union Finance Limited	93.24%	7,94,206.59	94.21%	1,01,533.25	99.82%	1,314.88	94.28%	1,02,848.13
Indian Subsidiary - Shriram Housing Finance Limited	5.23%	44,547.59	4.47%	4,819.09	0.14%	1.80	4.42%	4,820.89
Non Controlling Interest	1.53%	13,073.10	1.32%	1,419.20	0.04%	0.53	1.30%	1,419.73
Total	**100%**	**8,51,827.28**	**100%**	**1,07,771.54**	**100%**	**1,317.21**	**100%**	**1,09,088.75**

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,91,641.65	-	3,91,641.65	2,24,053.78	-	2,24,053.78
Bank Balance other than above	1,25,875.71	18,433.45	1,44,309.16	97,859.03	-	97,859.03
Receivables						
- Trade Receivables	229.99	-	229.99	89.76	-	89.76
- Other Receivables	-	-	-	0.65	-	0.65
Loans	15,57,274.02	15,22,505.86	30,79,779.88	14,20,078.85	14,40,022.51	28,60,101.36
Investments	72,083.38	20,323.52	92,406.90	52,145.52	20,172.65	72,318.17
Other financial assets	3,722.58	12,511.49	16,234.07	5,531.51	7,086.63	12,618.14
Non-financial Assets						
Current tax asset	-	4,921.74	4,921.74	-	15,136.41	15,136.41
Deferred tax assets (net)	-	12,815.28	12,815.28	-	5,072.77	5,072.77
Property, plant and equipment	-	6,841.27	6,841.27	-	7,790.02	7,790.02
Other intangible assets	-	643.36	643.36	-	768.63	768.63
Right of Use Assets	-	16,538.88	16,538.88	-	16,578.78	16,578.78
Other non financial assets	8,332.56	11,814.05	20,146.61	7,101.45	9,405.72	16,507.17
Total assets	**21,59,159.89**	**16,27,348.89**	**37,86,508.79**	**18,06,860.55**	**15,22,034.12**	**33,28,894.67**

41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (Contd.)

₹ in lacs

Particulars	As at March 31, 2021			As at March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Other payables						
(i) total outstanding dues of micro enterprises and small enterprises	18.90	-	18.90	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8,333.36	-	8,333.36	8,096.32	-	8,096.32
Debt Securities	2,06,674.95	2,77,577.87	4,84,252.82	1,68,112.74	3,17,212.20	4,85,324.94
Borrowings (other than debt securities)	10,34,639.33	8,02,833.63	18,37,472.96	8,60,016.93	7,39,013.60	15,99,030.53
Deposits	1,62,962.13	3,89,926.65	5,52,888.78	1,21,486.63	2,79,720.17	4,01,206.80
Subordinated Liabilities	-	-	-	23,923.91	-	23,923.91
Other Financial liabilities	26,136.99	17,763.36	43,900.35	32,795.10	17,150.33	49,945.43
Non-financial Liabilities						
Provisions	2,640.54	98.12	2,738.66	1,743.19	2,372.27	4,115.46
Deferred tax liabilities (net)	-	2,536.95	2,536.95	-	886.48	886.48
Other non-financial liabilities	2,538.73	-	2,538.73	2,374.32	4.82	2,379.14
Total Liabilities	**14,43,944.93**	**14,90,736.58**	**29,34,681.51**	**12,18,549.14**	**13,56,359.87**	**25,74,909.01**
Net	**7,15,214.96**	**1,36,612.31**	**8,51,827.28**	**5,88,311.41**	**1,65,674.25**	**7,53,985.66**

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in liabilities arising from financing activities during FY 2020-21

₹ in lacs

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
- NCD Public Issue	84,955.43	918.31	-	1,050.47	86,924.20
- NCD Institutional	4,00,369.51	203.95	-	(3,244.84)	3,97,328.62
Subordinated Liabilities					
- Sub Debt Retail	23,923.91	(23,961.29)	-	37.38	-
Borrowings other than debt securities					
- Term Loan from Banks	9,11,703.81	78,594.87	-	(4,463.61)	9,85,835.07
- Term Loan from Institution	77,520.84	2,10,284.98	-	(388.02)	2,87,417.80
- Commercial paper	11,164.33	(11,200.00)	-	35.67	-
- Cash Credit from Banks	58,873.42	(22,024.06)	-	(15.85)	36,833.51
- Working Capital Demand Loans	1,57,988.63	23,526.36	-	(0.52)	1,81,514.47
- Term Loan from Bank- Securitisation	62,573.00	(16,814.42)	-	260.39	46,018.97
- Term Loan from financial Institution/ NBFC- Securitisation	3,19,206.50	(19,250.56)	-	(102.80)	2,99,853.14
Deposits					
- Public Deposits	4,01,206.80	1,52,815.49	-	(1,140.60)	5,52,881.69
- Recurring deposits	-	7.09	-	-	7.09
Total	**25,09,486.18**	**3,73,100.72**	**-**	**(7,972.33)**	**28,74,614.56**

* Represents adjustments on account of processing fees and other transaction cost.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

42. CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (Contd.)

Changes in liabilities arising from financing activities during FY 2019-20

₹ in lacs

Particulars	As at March 31, 2019	Cash Flows	Exchange difference	Other *	As at March 31, 2020
At Amortised Cost					
Debt Securities					
- NCD Public Issue	11,377.16	75,282.56	-	(1,704.29)	84,955.43
- NCD Institutional	4,15,327.57	(12,628.52)	-	(2,329.54)	4,00,369.51
Subordinated Liabilities					
- Sub Debt Retail	57,685.07	(34,033.43)	-	272.27	23,923.91
- Sub Debt Institutional	7,685.88	(7,705.28)	-	19.40	-
Borrowings other than debt securities					
- Term Loan from Banks	10,46,243.60	(1,33,161.10)	-	(1,378.69)	9,11,703.81
- Term Loan from Institution	31,412.91	46,253.77	-	(145.84)	77,520.84
- Commercial paper	1,83,541.94	(1,72,377.61)	-	-	11,164.33
- Cash Credit from Banks	1,72,804.60	(1,13,916.66)	-	(14.52)	58,873.42
- Working Capital Demand Loans	76,685.16	81,303.82	-	(0.35)	1,57,988.63
- Term Loan from Bank- Securitisation	-	63,526.69	-	(953.69)	62,573.00
- Term Loan from financial Institution/ NBFC- Securitisation	1,14,327.54	2,09,299.40	-	(4,420.44)	3,19,206.50
Deposits					
- Public Deposits	3,11,940.60	90,073.35	-	(807.15)	4,01,206.80
- Recurring deposits	-	-	-	-	-
Total	**24,29,032.03**	**91,916.99**	**-**	**(11,462.85)**	**25,09,486.18**

* Represents adjustments on account of processing fees and other transaction cost.

43. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
a. In respect of Income tax demands where the Group has filed appeal before various authorities	116.45	194.53
b. VAT demand where the Group 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	-	2,500.00
e. Bank Guarantees	135.00	135.00
Total	**8,530.69**	**11,108.77**

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 Group 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 Group financial position and results of operations.

The Company has issued a guarantee for Nil (March 31, 2020 : ₹ 2,500 lacs) for refinance obtained by subsidiary, Shriram Housing Finance Limited for NHB.

(B) Commitments not provided for

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account, net of advances	326.97	306.34
b. Commitments related to loans sanctioned but undrawn	23,786.60	19,409.55

44. RELATED PARTY DISCLOSURES

Relationship		Name of the party
(i) Enterprises having significant influence over the Group	:	Shriram Capital Limited (SCL)
		Shriram Ownership Trust (SOT)
		Dynasty Acquisition FPI Limited (DAFL)
		Valiant Mauritius Partners FDI Limited (VMPL)
(ii) Subsidiary	:	Shriram Housing Finance Limited (SHFL)
(iii) Associates *	:	Insight Commodities and Futures Private Limited (ICFPL)
		Shriram Asset Management Company Limited (SAMCL)
		Shriram Credit Company Limited (SCCL)
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)
		Shriram Financial Ventures (Chennai) Private Limited (SFVPL)
		Shriram Fortune Solutions Limited (SFSL)
		Shriram General Insurance Company Limited (SGICL)
		Shriram Insight Share Brokers Limited (SISBL)
		Shriram Life Insurance Company Limited (SLICL)
		Shriram Overseas Investments Private Limited (SOIPL)
		Shriram Wealth Advisors Limited (SWAL)
		Shriram Value Services Limited (SVSL)
		Bharath Investments Pte. Limited, Singapore (BIPL)
		SGI Philippines General Insurance Co. Inc. (SGIPGICI)
		Novac Technology Solutions Private Limited (NTSPL)
		Novac Digital Services Private Limited (formerly Techfactory Services Private. Limited) (NDSPL)
		Snottor Technology Services Private Limited
		SEA Funds Management India Private Limited
		Way2wealth Insurance Brokers Private Limited
		Way2wealth Securities Private Limited
		Way2wealth Brokers Private Limited
		Way2wealth Commodities Private Limited
(iv) Key Management Personnel	:	Sri Y.S. Chakravarti, Managing Director (Appointed w.e.f. 01.07.2019)
		Sri R Duruvasan, Director (Ceased from Managing Director w.e.f. 30.06.2019)
		Sri Debendranath Sarangi, Chairperson
		Sri C R Muralidharan, Director (Ceased w.e.f 08.10.2020)
		Sri Diwakar Bhagwati Gandhi, Director (Appointed w.e.f 01.04.2019)
		Sri Gerrit Lodewyk Van Heerde, Director (Ceased w.e.f. 29.07.2019)
		Smt Maya S Sinha, Director
		Sri Sri Pranab Prakash Pattanayak, Director (Reappointed w.e.f 01.04.2019)
		Sri Ranvir Dewan, Director (Ceased w.e.f. 02.12.2019)
		Sri Shashank Singh, Director
		Sri Venkataraman Murali, Director (Reappointed w.e.f 01.04.2019)
		Sri R Chandrasekar, Chief Financial Officer
		Sri C R Dash, Company Secretary

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES (Contd.)

Relationship		Name of the party
		Sri Ignatius Michael Viljoen, Director (Appointed w.e.f 29.07.2019)
		Smt Lakshminaryanan Priyadarshini , Director (SHFL)
		Sri Subramanian Jambunathan, MD & CEO (SHFL)
		Sri Kunal Karnani, Chief Financial Officer (SHFL) (Ceased w.e.f 06.09.2019)
		Smt Nikita Hule , Company Secretary (SHFL) (Ceased w.e.f 27.07.2019)
		Sri Gauri Shankar Agarwal, Chief Financial Officer (SHFL) (Appointed w.e.f. 25.09.2019)
		Smt Bhavita Ashiyani - Company Secretary (SHFL) (Appointed w.e.f. 20.10.2019)
(v) Relatives of Key Management Personnel	:	Relatives of Sri R Duruvasan, Director (Ceased from Managing Director & CEO w.e.f 30.06.2019)
		Late Sri Ayneni Ramachandra Naidu (Father)
		Late Smt Ayneni Ammayamma (Mother)
		Smt A Komaleeswari (Spouse)
		Sri Ayneni Vamshi Krishna (Son)
		Sri R Perumal (Brother)
		Smt P Padmaja (Brother's Wife)
		Smt S Usha Rani (Sister)
		Sri R Selvam (Sister's Husband)
		Relatives of Sri Y.S. Chakravarti, Managing Director & CEO (Appointed w.e.f 01.07.2019)
		Late Sri Satyanarayana Y (Father)
		Smt Rajamannar (Mother)
		Smt Sujata Yalamati (Spouse)
		Sri Sree Bhargav (Son)
		Smt Nayana Sri (Daughter)
		Smt Aruna S (Sister)
		Smt Rama Devi D (Sister)
		Sri S R Krishna (Sister's husband)
		Sri Venkateswara Rao D (Sister's husband)
		Sri M S R Choowdary (Brother of spouse)
		Relatives of Sri Subramanian Jambunathan, Managing Director & CEO (SHFL)
		Late Sri Krishnawamy Jambunathan (Father)
		Smt Padmavathi Jambunathan(Mother)
		Smt Dharini Mani Subramanian (Spouse)
		Smt Anusha Subramanian (Daughter)
		Sri Jambunathan Krishnan (Brother)

*- The Group neither holds any shares in the above entities nor these entities hold any shares in the Group except Shriram Financial Ventures (Chennai) Private Limited (SFVPL). However these entities are "subsidiaries /associates" of Shriram Capital Limited and hence these entities are treated as "associates" as per paragraph 9(b)(ii) of IND- AS 24 and transactions made with these entities are disclosed.

There are no transactions with relatives of Key Management Personnel for the year ended March 31, 2021.

44. RELATED PARTY DISCLOSURES

Related party transactions during the year

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Payments/Expenses								
Royalty to SOT	-	3,351.69	-	-	-	-	-	3,351.69
Royalty to SVSL	-	-	6,716.05	3,423.00	-	-	6,716.05	3,423.00
Commission & Other expenses- SFPSPL	-	-	3,037.05	2,311.98	-	-	3,037.05	2,311.98
Commission & Other expenses- SFSL	-	-	3,610.18	2,800.34	-	-	3,610.18	2,800.34
Commission & Other expenses- SISBL	-	-	136.91	60.68	-	-	136.91	60.68
Commission & Other expenses- SWAL	-	-	3.59	-	-	-	3.59	-
Interest Expenses- SFPSPL	-	-	95.24	54.57	-	-	95.24	54.57
Interest Expenses- SLICL	-	-	603.84	423.72	-	-	603.84	423.72
Interest Expenses - SAMCL	-	-	63.01	5.05	-	-	63.01	5.05
Insurance - SGICL	-	-	435.22	402.08	-	-	435.22	402.08
Insurance and other expenses- SLICL	-	-	510.29	593.58	-	-	510.29	593.58
IT Services & Other expenses- SVSL	-	-	-	1,386.28	-	-	-	1,386.28
Professional Charges to NTSPL	-	-	5,835.20	4,575.53	-	-	5,835.20	4,575.53
Reimbursement of Rent and other expenses-SCL	1.61	14.61	-	-	-	-	1.61	14.61
Fees to SCL	1,934.36	1,842.24	-	-	-	-	1,934.36	1,842.24
"Payments to Key Managerial Personnel (MD, CFO & CS)"								
Short–term employee benefits	-	-	-	-	426.03	412.83	426.03	412.83
Post–employment pension (defined contribution)	-	-	-	-	60.70	45.00	60.70	45.00
Other long term employee benefits	-	-	-	-	6.91	46.56	6.91	46.56
Share Based Payments	-	-	-	-	60.36	51.19	60.36	51.19
Loan disbursement - Sri Gauri Shankar Agarwal	-	-	-	-	130.00	-	130.00	-
Loan EMI received - Sri Gauri Shankar Agarwal	-	-	-	-	8.45	-	8.45	-
Directors Sitting Fees	-	-	-	-	54.23	44.94	54.23	44.94
Equity dividend to SCL	4,474.32	4,921.75	-	-	-	-	4,474.32	4,921.75
Equity dividend to DAFL	2,684.38	2,952.82	-	-	-	-	2,684.38	2,952.82
Equity dividend to SFVPL	-	-	97.68	3.63	-	-	97.68	3.63
Equity dividend to KMP	-	-	-	-	1.63	1.80	1.63	1.80

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Receipts/Income								
Commission- SGICL	-	-	596.18	247.82	-	-	596.18	247.82
Commission - SLICL	-	-	1,570.40	458.26	-	-	1,570.40	458.26
Rent Income - SFSL	-	-	15.41	18.84	-	-	15.41	18.84
Rent Income - SISBL	-	-	2.63	4.50	-	-	2.63	4.50
Rent Income - SLICL	-	-	-	3.69	-	-	-	3.69
Electricity, Telephone and other charges Received								
Expenses reimbursement -SFSL	-	-	8.06	8.16	-	-	8.06	8.16
Expenses reimbursement -SISBL	-	-	1.89	1.56	-	-	1.89	1.56
Expenses reimbursement -SLICL	-	-	3.49	4.31	-	-	3.49	4.31
Balance outstanding as at								
Share Capital held by SCL	2,237.16	2,237.16	-	-	-	-	2,237.16	2,237.16
Share Capital held by DAFL	1,342.19	1,342.19	-	-	-	-	1,342.19	1,342.19
Share Capital held by SFVPL	-	-	48.84	1.65	-	-	48.84	1.65
Share Capital held by KMP	-	-	-	-	0.82	0.82	0.82	0.82
Share Capital held by VMPL	4,872.00	4,872.00	-	-	-	-	4,872.00	4,872.00
Interim Dividend Payable to SCL	2,237.16	-	-	-	-	-	2,237.16	-
Interim Dividend Payable to DAFL	1,342.19	-	-	-	-	-	1,342.19	-
Interim Dividend Payable to SFVPL	-	-	48.84	-	-	-	48.84	-
Interim Dividend Payable to KMP	-	-	-	-	0.82	-	0.82	-
Outstanding Payable to SCL	-	5.78	-	-	-	-	-	5.78
Royalty Payable to SVSL	-	-	1,641.31	1,638.78	-	-	1,641.31	1,638.78
Expenses payable to SCL	-	456.34	-	-	-	-	-	456.34
Expenses Payable to SFPSPL	-	-	269.39	80.48	-	-	269.39	80.48
Expenses Payable to SFSL	-	-	306.60	211.83	-	-	306.60	211.83
Expenses Payable to SISBL	-	-	8.51	4.45	-	-	8.51	4.45
Expenses Payable to SVSL	-	-	21.83	1.89	-	-	21.83	1.89
Expenses Payable to NTSPL	-	-	200.51	23.12	-	-	200.51	23.12

44. RELATED PARTY DISCLOSURES (Contd.)

₹ in lacs

Particulars	Enterprises having significant influence over the Group		Associates		Key Management Personnel		Total	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Expenses Payable to SLICL	-	-	4.36	0.03	-	-	4.36	0.03
Expenses Payable to SWAL	-	-	1.59	-	-	-	1.59	-
Outstanding Payable to SAMCL	-	-	1,052.63	153.47	-	-	1,052.63	153.47
Outstanding Payable to SFPSPL	-	-	1,044.40	1,034.77	-	-	1,044.40	1,034.77
Outstanding Payable to SLICL	-	-	6,537.11	6,444.54	-	-	6,537.11	6,444.54
Receivable from SFSL	-	-	0.16	0.87	-	-	0.16	0.87
Receivable from SGICL	-	-	33.26	86.90	-	-	33.26	86.90
Receivable from SISBL	-	-	-	1.00	-	-	-	1.00
Receivable from SLICL	-	-	102.25	0.68	-	-	102.25	0.68
Receivable from NTSPL	-	-	0.40	0.32	-	-	0.40	0.32
Receivable from SFPSPL	-	-	31.78	32.36	-	-	31.78	32.36
Receivable from SVSL	-	-	23.91	30.56	-	-	23.91	30.56
Loan Receivable from Sri Gauri Shankar Agarwal	-	-	-	-	126.45	-	126.45	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

45. CAPITAL

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the group ensures to maintain a healthy CRAR at all the times.

Capital Management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board. The Group has complied with the notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards"

A. Shriram City Union Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2021*	As at March 31, 2020*
Tier 1 Capital	7,30,641.50	6,78,676.35
Tier 2 Capital	-	-
Total capital funds	**7,30,641.50**	**6,78,676.35**
Risk weighted assets	**25,51,149.05**	**24,50,549.66**
Tier 1 capital ratio	28.64%	27.69%
Tier 2 capital ratio	0.00%	0.00%
Total capital ratio	**28.64%**	**27.69%**

*calculated as per RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

"Tier I capital", "Tier II capital", "Owned fund" are calculated as defined in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 "Implementation of Indian Accounting Standards" issued by RBI on March 13, 2020.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

B. Shriram Housing Finance Limited

₹ in lacs

Regulatory capital	As at March 31, 2021	As at March 31, 2020
Tier 1 Capital	56,298.33	49,757.11
Tier 2 Capital	2,434.85	1,529.40
Total capital funds	**58,733.19**	**51,286.51**
Risk weighted assets	**2,55,003.58**	**1,84,765.64**
Tier 1 capital ratio	22.08%	26.93%
Tier 2 capital ratio	0.95%	0.83%
Total capital ratio	**23.03%**	**27.76%**

Regulatory capital consists of Tier 1 capital, which comprises share capital, share premium, retained earnings including current year profit . Certain adjustments are made to Ind AS–based results and reserves, as prescribed by the National Housing Bank. The other component of regulatory capital is Tier 2 Capital , which includes provision for standard assets

The Company is meeting the capital adequacy requirements of National Housing Bank.

46. FAIR VALUE MEASUREMENT

46.1 Valuation Principle

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 46.3.

46.2 Fair Value Hierarchy of assets and liabilities

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2021

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	434.03	-	434.03
Equity instruments	9,686.10	-	-	9,686.10
Security Receipts	-	980.24	-	980.24
Pass through Certificate	-	1,395.63	-	1,395.63
Total financial assets held for trading	**9,686.10**	**2,809.90**	**-**	**12,496.00**
Total assets measured at fair value on a recurring basis	**9,686.10**	**2,809.90**	**-**	**12,496.00**

As at March 31, 2020

₹ in lacs

Assets measured at fair value on a recurring basis	Level-1	Level-2	Level-3	Total
Financial assets held for trading				
Mutual funds	-	12,767.35	-	12,767.35
Equity instruments	8,917.14	-	-	8,917.14
Security Receipts	-	1,327.92	-	1,327.92
Pass through Certificate	-	1,838.92	-	1,838.92
Total financial assets held for trading	**8,917.14**	**15,934.20**	**-**	**24,851.34**
Total assets measured at fair value on a recurring basis	**8,917.14**	**15,934.20**	**-**	**24,851.34**

46.3 Valuation techniques

Equity Instruments

Quoted equity instruments on recognised stock exchanges are valued at Level 1 hierarchy being the unadjusted quoted price as at the reporting date.

Unquoted equity instruments are valued at Level 3 hierarchy being unobservable inputs that are significant to the measurement as a whole. Accordingly, the valuation technique involves the net worth of the investee company.

Mutual Funds

Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2.

Foreign exchange contracts

Foreign exchange contracts include foreign exchange forward and swap contracts, interest rate swaps and over- the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Group classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

46. FAIR VALUE MEASUREMENT (Contd.)

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Movements in Level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value. Transfers from Level 3 to Level 2 occur when the market for some securities became more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Since the transfer, these instruments have been valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The following tables show the reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities measured at fair value:

₹ in Lacs

Particulars	Equity instruments	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	**-**	**80.04**
Purchases	-	-
Sales	-	-
Issuances	-	(1,252.24)
Settlements	-	-
Transfers into Level 3	-	-
Transfers from Level 3	-	-
Net interest income, net trading income and other income	-	1,172.20
Other comprehensive income	-	-
Closing Balance	**-**	**-**
Unrealised gains and losses related to balances held at the end of the year	**-**	**-**

46.4 Impact on fair value of level 3 financial instruments measured at fair value of changes to key assumptions

The table summarises the valuation techniques together with the significant unobservable inputs used to calculate the fair value of the Group's Level 3 assets and liabilities. The range of values indicates the highest and lowest level input used in the valuation technique and, as such, only reflects the characteristics of the instruments as opposed to the level of uncertainty to their valuation. Relationships between unobservable inputs have not been incorporated in this summary.

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2021	As at March 31, 2021		
Equity Instruments	-	-	NA	NA

₹ in lacs

Particulars	Fair value		Valuation technique	Significant unobservable inputs
	Level 3 Assets	Level 3 Liabilities		
	As at March 31, 2020	As at March 31, 2020		
Equity Instruments	-	-	NA	NA

46. FAIR VALUE MEASUREMENT (Contd.)

46.5 Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. All changes would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, instruments classified as FVTPL would be reflected in the Statement of profit and loss. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

The table below shows data in relation to Level 3 inputs that are already aggregated on the underlying product levels without assuming any potential diversification effect, but including potential off-sets from economic or accounting hedge relationships in place. The Group is of the opinion that, whilst there may be some diversification benefits, incorporating these would not be significant to the analysis.

₹ in lacs

Particulars	As at March 31, 2021		As at March 31, 2020	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Equity instrument	-	-	-	-

46.6 Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non–financial assets and non financial liabilities.

₹ in lacs

As at March 31, 2021	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	3,91,641.65	3,91,641.65	-	-	3,91,641.65
Bank balance other than cash and cash equivalents	1,44,309.16	1,44,309.16	-	-	1,44,309.16
Receivables	229.99	-	-	229.99	229.99
Loans	30,79,779.88	-	-	30,13,702.26	30,13,702.26
Investments	79,909.67	75,386.89	-	5,181.23	80,568.12
Other financial assets	16,234.07	-	-	16,234.07	16,234.07
Total financial assets	**37,12,104.42**	**6,11,337.70**	**-**	**30,35,347.55**	**36,46,685.25**
Financial liabilities:					
Other Payables	8,352.26	-	-	8,352.26	8,352.26
Debt securities	4,84,252.82	-	5,04,595.17	-	5,04,595.17
Borrowings (other than debt securities)	18,37,472.96	-	18,91,162.53	-	18,91,162.53
Deposits	5,52,888.78	-	-	5,61,390.07	5,61,390.07
Subordinated liabilities	-	-	-	-	-
Other financial liabilities	43,900.35	-	-	43,900.35	43,900.35
Total financial liabilities	**29,26,867.17**	**-**	**23,95,757.70**	**6,13,642.68**	**30,09,400.38**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

46. FAIR VALUE MEASUREMENT (Contd.)

₹ in lacs

As at March 31, 2020	Carrying Amount	Fair Value			Total
		Level-1	Level-2	Level-3	
Financial assets:					
Cash and cash equivalents	2,24,053.78	2,24,053.78	-	-	2,24,053.78
Bank balance other than cash and cash equivalents	97,859.03	97,859.03	-	-	97,859.03
Receivables	90.41	-	-	90.41	90.41
Loans	28,60,101.36	-	-	28,80,681.88	28,80,681.88
Investments	47,463.22	48,166.31	-	-	48,166.31
Other financial assets	12,618.14	-	-	12,618.14	12,618.14
Total financial assets	**32,42,185.94**	**3,70,079.12**	**-**	**28,93,390.43**	**32,63,469.55**
Financial liabilities:					
Other Payables	8,096.32	-	-	8,096.32	8,096.32
Debt securities	4,85,324.94	-	4,51,604.79	-	4,51,604.79
Borrowings (other than debt securities)	15,99,030.53	-	16,08,685.75	-	16,08,685.75
Deposits	4,01,206.80	-	-	3,91,532.19	3,91,532.19
Subordinated liabilities	23,923.91	-	-	23,923.91	23,923.91
Other financial liabilities	49,945.43	-	-	49,945.43	49,945.43
Total financial liabilities	**25,67,527.93**	**-**	**20,60,290.54**	**4,73,497.85**	**25,33,788.39**

Note:

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

46.7 Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions.

Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other receivables, balances other than cash and cash equivalents and trade payables without a specific maturity. Such amounts have been classified as Level 1 / Level 3 on the basis that no adjustments have been made to the balances in the balance sheet.

Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models based on contractual cash flows using actual or estimated yields.

Pass through certificates

These instruments include asset backed securities. The market for these securities is not active. Therefore, the Group uses a variety of valuation techniques to measure their fair values. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers such as loan-to-value ratios, emergence period estimation, indebtedness and rental income levels. Securities with no significant unobservable valuation inputs are classified as Level 2, while instruments with no comparable instruments or valuation inputs are classified as Level 3.

46. FAIR VALUE MEASUREMENT (Contd.)

Financial assets at amortised cost

The fair values of financial assets held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

Issued debt

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data such as secondary prices for its traded debt and the credit spread on credit default swaps and traded debt of itself.

Borrowings

The fair value of issued debt is estimated by a discounted cash flow model incorporating the Group's own credit risk. The Group estimates and builds its own credit spread from market-observable data.

Off-balance sheet positions

Estimated fair values of off-balance sheet positions are based on market prices for similar instruments or on discounted cash flow models, as explained above, which incorporate the credit risk element through the discount factor.

Fair Value Measurement - Non-Financial assets

Repossessed House Property are non-financial assets which are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value less cost to sell. The fair value of the assets is determined by an independent valuer. These assets are carried at the fair value determined on initial recognition, unless there are indicators of significant changes in real estate market condition requiring a re-valuation.

The non-recurring fair value measurement for the assets Repossessed House Property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

₹ in Lacs

Particulars	Fair Value Hierarchy - Level 3	
	As at March 31, 2021	As at March 31, 2020
Non-Financial assets at fair value through profit or loss:		
Repossessed House Property	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

47. RISK MANAGEMENT

Whilst risk is inherent in the Group's activities, it is managed through an integrated risk management framework including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

47.1 Introduction and Risk Profile

47.1.1 Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has constituted the Audit and Risk Management Committee which is responsible for monitoring the overall risk process within the Group.

47. RISK MANAGEMENT (Contd.)

The Audit and Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Audit and Risk Management Committee is responsible for managing risk decisions and monitoring risk levels.

The Chief Risk officer is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Risk Owners within each department will report to the Risk Committee.

The Risk Owners are responsible for monitoring compliance with risk principles, policies and limits across the Group. Each department has its Risk owner who is responsible for the control of risks, including monitoring the actual risk of exposures against authorised limits and the assessment of risks.

The Group's Treasury is responsible for managing its assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks of the Group.

The Group's policy is that risk management processes throughout the Group are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to Audit and Risk Management Committee.

47.1.2 Risk mitigation and risk culture

As part of its overall risk management, the Group can use derivatives and other instruments to manage exposures resulting from changes in interest rates and foreign currencies associated with foreign currency transactions.

47.1.3 Risk measurement and reporting systems

The Group's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment, as necessary.

The Group's policy is to measure and monitor the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the departments is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented and explained to the Audit and Risk Management Committee and the head of each department. The Audit and Risk Management Committee receives a comprehensive risk report once a quarter which is designed to provide all the necessary information to assess and conclude on the risks of the Group.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. The Group's continuous training and development emphasises that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

47.1.4 Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on spreading its lending portfolio across all the states with a cap on maximum limit of exposure for a state and also for an individual/Group.

47. RISK MANAGEMENT (Contd.)

47.2 Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit department of the Group. It is their responsibility to review and manage credit risk, including environmental and social risk for all types of counterparties. Credit risk consists of line credit managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit manager, as well as the business with tools like credit risk systems, policies, models and reporting.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties.

The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions.

The Group's internal credit rating grades on days past due (dpd) basis:

Internal rating grade	Internal rating description
High grade	0 dpd
Standard grade	1 to 30 dpd
Sub-standard grade	31 to 60 dpd
Past due but not impaired	61 to 90 dpd
Non-performing	90+ dpd

47.2.1 Derivative financial instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet.

With gross–settled derivatives, the Group is also exposed to a settlement risk, being the risk that the Group honours its obligation, but the counterparty fails to deliver the counter value.

47.2.2 Impairment assessment

47.2.2.1 Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- The borrower requesting emergency funding from the Group
- A material decrease in the underlying collateral value where the recovery of the loan is expected from the sale of the collateral
- A covenant breach not waived by the Group
- The debtor (or any legal entity within the debtor's Group) filing for bankruptcy application/protection
- All the facilities of a borrower are treated as Stage 3 when one of his facility becomes 90 days past due i.e. credit impaired.

47.2.2.2 PD estimation process

It is an estimate of the likelihood of default over a given time horizon. PD estimation process is done based on historical internal data available with the Group. While arriving at the PD, the Group also ensures that the factors that affects the macro economic trends are

47. RISK MANAGEMENT (Contd.)

considered to a reasonable extent, wherever necessary. Group calculates the 12 month PD by taking into account the past historical trends of the portfolio and its credit performance. In case of assets where there is a significant increase in credit risk, lifetime PD has been applied which is computed based on survival analysis. For credit impaired assets, a PD of 100% has been applied..

47.2.2.3 Exposure at Default (EAD)

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12 months ECL.

For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments.

In case of undrawn loan commitments, a credit conversion factor of 100% is applied for expected drawdown.

47.2.2.4 Loss Given Default (LGD)

LGD is an estimate of the loss arising in case where a default occurs. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any security.

47.2.2.5 Significant increase in credit risk

The Group continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Group assesses whether there has been an event which could cause a significantly increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

In certain cases, the Group may also consider that events explained in Note 47.2.2.1 are a significant increase in credit risk as opposed to a default. Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition.

When estimating ECLs on a collective basis for a Group of similar assets (as set out in Note 47.2.2.6), the Group applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

47.2.2.6 Grouping financial assets measured on a collective basis

As explained in Note 7.1.x dependant on the factors below, the Group calculates ECLs only on a collective basis

The Group segments the exposure into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans as described below.

1. Gold Loans
2. Auto Loans
3. MSME Loans
4. Two wheeler Loans
5. Personal Loans
6. Home Loans
7. Pre-Owned Two wheeler Loans
8. Loan against Property

47.2.3 Analysis of risk concentration

The maximum credit exposure to any individual client or counterparty as of March 31, 2021 was ₹ 3,172.52 lacs (March 31, 2020 ₹ 3,597.57 lacs)

47. RISK MANAGEMENT (Contd.)

Credit risk exposure analysis

₹ in lacs

Particulars	As at March 31, 2021				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	28,49,985.18	2,45,122.54	1,93,095.20	-	32,88,202.91
Repossessed	-	-	925.74	-	925.74
Total	**28,49,985.18**	**2,45,122.54**	**1,94,020.94**	**-**	**32,89,128.66**

₹ in lacs

Particulars	As at March 31, 2020				
	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	POCI	Total
Normal	26,55,317.47	1,81,594.06	2,29,336.53	-	30,66,248.06
Repossessed	-	-	1,841.22	-	1,841.22
Total	**26,55,317.47**	**1,81,594.06**	**2,31,177.75**	**-**	**30,68,089.28**

47.3 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (1) present and anticipated asset quality (2) present and future earnings capacity (3) historical funding requirements (4) current liquidity position (5) anticipated future funding needs, and (6) sources of funds.

The Group maintains a portfolio of marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into securitisation deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual fund available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions , issue of debentures and bonds and acceptance of public deposits are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

47.3.1. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at March 31. All derivatives used for hedging and natural hedges are shown by maturity, based on their contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date it could be required to pay and the table does not reflect the expected cash flows indicated by its deposit retention history.

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	4,17,872.85	43,078.43	60,082.38	9,456.87	-	11,496.79	5,41,987.32
Trade Receivables	229.99	-	-	-	-	-	229.99
Loans	5,96,957.15	5,31,214.78	9,34,760.56	12,60,752.52	3,96,343.55	6,17,746.44	43,37,775.00

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial investments at amortised cost	3,329.90	81.18	70,492.48	9,537.99	12.26	115.33	83,569.14
Financial investments at FVTOCI	51.91	57.34	112.86	435.26	453.18	10,659.33	11,769.88
Financial investments at FVTPL	434.03	-	-	326.75	326.75	326.75	1,414.28
Financial investments at Cost	45.07	40.46	56.53	25.96	-	-	168.02
Other Financial Assets	958.04	1,078.66	1,402.89	4,909.55	4,417.19	4,103.28	16,869.61
Total undiscounted financial assets	**10,19,878.94**	**5,75,550.85**	**10,66,907.70**	**12,85,444.90**	**4,01,552.93**	**6,44,447.92**	**49,93,783.24**
Financial liabilities							
Deposits	31,881.41	42,230.72	96,637.94	3,30,862.56	1,51,442.33	-	6,53,054.96
Debt securities	57,034.92	14,023.28	1,05,051.59	3,36,134.57	35,261.60	25,928.10	5,73,434.06
Borrowings (other than debt securities)	4,24,470.53	3,18,500.48	3,76,761.25	6,18,639.32	2,42,872.71	82,758.09	20,64,002.38
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	21,788.01	-	4,348.98	-	-	17,763.36	43,900.35
Other Payables	8,352.26	-	-	-	-	-	8,352.26
Total undiscounted financial liabilities	**5,43,527.13**	**3,74,754.48**	**5,82,799.76**	**12,85,636.45**	**4,29,576.64**	**1,26,449.55**	**33,42,744.01**
Net undiscounted financial assets/ (liabilities)	**4,76,351.81**	**2,00,796.37**	**4,84,107.94**	**(191.55)**	**(28,023.71)**	**5,17,998.37**	**16,51,039.23**

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets							-
Cash and cash equivalents and Other Bank Balances	2,28,519.32	18,712.31	78,530.01	812.85	-	-	3,26,574.49
Trade Receivables	89.76	-	-	-	-	-	89.76
Other than Trade Receivables	0.65	-	-	-	-	-	0.65
Loans	5,05,882.33	5,37,926.30	8,47,756.49	12,48,307.48	4,42,291.91	3,83,043.14	39,65,207.65
Financial investments at amortised cost	12,794.82	81.18	27,879.79	1,519.16	8,784.54	124.52	51,184.01
Financial investments at FVTOCI	219.59	100.26	199.78	664.80	660.39	9,738.63	11,583.45
Financial investments at FVTPL	12,767.35	-	-	442.64	442.64	442.64	14,095.27
Other Financial Assets	666.84	613.92	3,361.13	3,528.14	3,240.93	2,393.60	13,804.56
Total undiscounted financial assets	**7,60,940.66**	**5,57,433.97**	**9,57,727.20**	**12,55,275.07**	**4,55,420.41**	**3,95,742.53**	**43,82,539.84**

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities							
Deposits	31,783.76	33,963.96	60,674.91	2,62,758.11	82,504.67	-	4,71,685.41
Debt securities	79,125.75	12,361.49	1,00,662.08	3,29,913.66	40,806.03	-	5,62,869.01
Borrowings (other than debt securities)	3,08,206.16	2,49,106.11	4,20,437.47	7,06,943.46	98,462.65	3,460.71	17,86,616.56
Subordinated Liabilities	13,943.15	10,640.32	1.07	-	-	-	24,584.54
Other Financial Liabilities	27,692.80	51.01	5,051.29	-	-	17,150.33	49,945.43
Other Payables	8,096.32	-	-	-	-	-	8,096.32
Total undiscounted financial liabilities	**4,68,847.94**	**3,06,122.89**	**5,86,826.82**	**12,99,615.23**	**2,21,773.35**	**20,611.04**	**29,03,797.27**
Net undiscounted financial assets/(liabilities)	**2,92,092.72**	**2,51,311.08**	**3,70,900.38**	**(44,340.16)**	**2,33,647.06**	**3,75,131.49**	**14,78,742.57**

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31,2021							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	-	-	-	-	116.45	116.45
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	25.00	135.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	302.41	24.56	-	-	-	-	326.97
Commitments related to loans sanctioned but undrawn	23,786.60	-	-	-	-	-	23,786.60
Total commitments	**24,089.01**	**24.56**	**-**	**110.00**	**-**	**8,420.69**	**32,644.26**

47. RISK MANAGEMENT (Contd.)

₹ in lacs

Particulars	Less than 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
As at March 31,2020							
In respect of Income tax demands where the Group has filed appeal before various authorities	-	78.08	-	-	-	116.45	194.53
VAT demand where the Group has filed appeal before various Appellate	-	-	-	-	-	259.95	259.95
Service tax demand	-	-	-	-	-	8,019.29	8,019.29
Guarantees and counter guarantees	-	-	-	110.00	-	2,525.00	2,635.00
Estimated amount of contracts remaining to be executed on capital account, net of advances	295.37	10.97	-	-	-	-	306.34
Commitments related to loans sanctioned but undrawn	19,409.55	-	-	-	-	-	19,409.55
Total commitments	**19,704.92**	**89.05**	**-**	**110.00**	**-**	**10,920.69**	**30,824.66**

47.4 Market Risk

Market risk is that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Interest rate risk

The Group exposure to changes in interest rates relates to the Group outstanding floating rate liabilities. Most of the Group outstanding liability is on fixed rate basis and hence not subject to interest rate risk. Some of the borrowings of the Group are linked to rate benchmarks such as Bank MCLR and Mumbai Inter-Bank Offer Rate (MIBOR) and hence subject to interest rate risk. The sensitivity of the Group floating rate borrowings to change in interest rate (assuming all other variables constant) is given below:

As at March 31, 2021

₹ in lacs

Particulars	Carrying amount	Favourable change 1% decrease	Unfavourable change 1% increase
Term Loans - Bank	9,78,740.40	1,25,522.37	(99,826.85)
Term Loans - Financial Institution	2,63,930.95	38,545.38	(29,625.24)
Total floating rate borrowings	**12,42,671.35**	**1,64,067.75**	**(1,29,452.09)**

As at March 31, 2020

₹ in lacs

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Term Loans - Bank	9,11,703.81	1,05,212.41	(85,420.85)
Term Loans - Financial Institution	64,040.47	7,092.15	(5,787.33)
Total floating rate borrowings	**9,75,744.28**	**1,12,304.56**	**(91,208.18)**

Fair value sensitivity analysis for fixed rate instruments

The Group fixed rate instruments are carried at amortised cost and are not measured for interest rate risk, as neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

48. Based on the intimation received by the Group, some of the suppliers have confirmed to be registered under "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006". Accordingly, the disclosures relating to amounts unpaid as at the year ended together with interest paid /payable are furnished below:

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
The principal amount remaining unpaid to supplier as at the end of the year	18.90	-
The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-

49. The Group is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

50. Expenditure in foreign currency: ₹ 623.25 lacs (March 31, 2020: Nil).

51. The Group had no discontinuing operations during the year ended March 31, 2021.

52. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

53. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities

53.1.1 Shriram City Union Finance Limited

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	3,44,849.01	3,60,074.75
Carrying amount of associated liabilities (Borrowings (other than debt securities)-measured at amortised cost)	3,38,459.12	3,77,760.19
Fair value of assets	3,58,964.40	3,75,611.72
Fair value of associated liabilities	3,72,624.36	3,87,415.42
Net position at Fair Value	(13,659.96)	(11,803.70)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

53. TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNISED IN THEIR ENTIRETY (Contd.)

53.1.2 Shriram Housing Finance Limited

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost (Held as collateral)	7,161.27	3,972.51
Carrying amount of associated liabilities (Borrowings (other than debt securities)- measured at amortised cost)	7,412.99	4,019.31
Fair value of assets	7,161.27	3,972.15
Fair value of associated liabilities	7,412.99	4,019.31
Net position at Fair Value	(251.73)	(47.16)

54. DISCLOSURE RELATING TO SECURITISATION

54.1.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	9	15
Total book value of assets	2,11,842.97	3,99,923.33
Sale consideration received	2,11,842.97	3,99,923.33

54.1.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total number of transactions under par structure	1	1
Total book value of assets	4,068.74	4,464.59
Sale consideration received	4,068.74	4,464.59

54. DISCLOSURE RELATING TO SECURITISATION (Contd.)

54.2.1 Shriram City Union Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	23	18
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company	3,44,849.01	3,60,074.75
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	97,554.28	70,520.71
	Others	160.82	-
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

54.2.2 Shriram Housing Finance Limited

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of SPVs sponsored by the Company for securitisation transactions (in No.)	2	1
2	Total amount of securitised assets as per books of the SPVs sponsored by	7,384.25	4,001.54
3	Total amount of exposures retained by the Company to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	First loss	651.00	647.50
	Others	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

54. DISCLOSURE RELATING TO SECURITISATION (Contd.)

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

55. DISCLOSURE RELATING ASSIGNMENT

55.1.1 Shriram City Union Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	5	7
2	Total amount of Outstanding	10,419.30	47,619.99
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	1,009.52	4,752.87
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

55. DISCLOSURE RELATING ASSIGNMENT (Contd.)

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

55.1.2 Shriram Housing Finance Limited

(i) The information on Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under par structure is given below

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	No of transactions Assigned by the Company	12	6
2	Total amount of Outstanding	50,034.13	28,357.19
3	Total amount of exposures retained by the Company to comply with MRR as on the date of Balance Sheet		
	a) Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	First loss	-	-
	Others	8,923.94	4,470.22
4	Amount of exposures to Assigned transaction other than MRR		
	a) Off-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
	b) On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-

(ii) Direct Assignment of the Company as an originator in respect of outstanding amount of assets assigned under premium: Nil (March 31, 2020: Nil)

55. DISCLOSURE RELATING ASSIGNMENT (Contd.)

55.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2021 and March 31, 2020.

55.3 Details of Assignment transactions undertaken by the Company during the year

55.3.1 Shriram City Union Finance Limited

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of accounts	-	1,44,261
Aggregate value (net of provision) of account sold	-	57,157.58
Aggregate consideration	-	57,157.58
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

Pursuant to the directives dated March 13, 2020 from the Reserve Bank of India, the Board of Directors have approved the policy for sales out of amortised cost business model portfolios. The company has assigned loans (earlier measured at amortised cost) by way of direct assignment. Since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet.

55.3.2 Shriram Housing Finance Limited

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of accounts	2,600	3,257
Aggregate value (net of provision) of account sold	30,411.59	29,356.70
Aggregate consideration	30,411.59	29,356.70
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-

55.4 The Group has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020

56. INVESTMENTS

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
(1) Value of investments		
(i) Gross value of investments		
(a) In India	82,729.30	63,402.84
(b) Outside India,	9,686.10	8,917.14
(ii) Provisions for depreciation		
(a) In India	8.50	1.81
(b) Outside India,	-	-
(iii) **Net value of investments**		
(a) In India	**82,720.80**	**63,401.03**
(b) Outside India,	**9,686.10**	**8,917.14**
(2) Movement of provisions held towards depreciation on investments		
(i) **Opening balance**	**1.81**	**4.74**
(ii) Add : Provisions made during the year	6.69	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	(2.93)
(iv) **Closing balance**	**8.50**	**1.81**

57. DERIVATIVES

57.1 Forward rate agreement/Interest rate swap: Nil

57.2 Exchange Traded interest rate (IR) derivatives: Nil

58. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR

58.1 Shriram City Union Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA/ Stable	IND AA/ Stable
	Long-Term (NCDs-MLD)	IND PP-MLD AAemr/ Stable	NA
	Short-Term (CP)	NA	IND A1+
	Bank Loan Ratings	IND AA/ Stable	IND AA/ Stable
	Fixed deposit	IND tAA/ Stable	IND tAA/ Stable
CARE	Long-Term (NCDs)	CARE AA+ /Stable	CARE AA+ /Stable
	Short-Term (CP)	CARE A1+	CARE A1+
	Subordinate Debt	NA	CARE AA+ /Stable
	Fixed deposit	CARE AA(FD) /Stable	CARE AA+ (FD) /Stable
ICRA	Long-Term (NCDs)	ICRA AA / Stable	ICRA AA / Stable
	Long-Term (NCDs-MLD)	PP-MLD ICRA AA/Stable	NA
	Short-Term (CP)	ICRA A1+	ICRA A1+
	Fixed deposit	MAA+ / Stable	MAA+ / Stable
CRISIL	Long-Term (NCDs)	CRISIL AA / Stable	CRISIL AA / Stable
	Short-Term (CP)	CRISIL A1+	CRISIL A1+
	Subordinate Debt	NA	CRISIL AA / Stable

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

58. RATING ASSIGNED BY CREDIT RATING AGENCIES AND MIGRATION OF RATINGS DURING THE YEAR (Contd.)

58.2 Shriram Housing Finance Limited

Rating Agency	Rating Instrument	As at March 31, 2021	As at March 31, 2020
India Ratings	Long-Term (NCDs)	IND AA	IND AA / Stable
	Bank Loan Ratings	IND AA	IND AA / Stable
CARE	Long-Term (NCDs)	CARE AA	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA+
	Short-Term Bank Loan Ratings	NA	CARE A1+
	Subordinate Debts	CARE AA	CARE AA+
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

59. EXPOSURE TO REAL ESTATE SECTOR

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i)	**Residential Mortgages** -Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3,02,057.42	2,95,095.70
ii)	**Commercial Real Estate** -Lending secured by mortgages on commercial real estates (office buildings, retail space, multi- purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	62,103.55	92,654.80
iii)	**Investments in Mortgage Backed Securities(MBS) and other securitised exposures -**		
	Residential	14.15	76.57
	Commercial Real Estate	-	-
	Total Exposure to Real Estate Sector	**3,64,175.13**	**3,87,827.07**

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

60. EXPOSURE TO CAPITAL MARKET

₹ in lacs

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	27,002.57	25,947.13
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows/issues;	-	-
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
	Total exposure to capital market	**27,002.57**	**25,947.13**

61. DETAILS OF FINANCING OF PARENT COMPANY PRODUCTS

The Group does not have any Parent Company, hence not applicable.

62. DETAILS OF SINGLE BORROWER LIMIT (SGL) / GROUP BORROWER LIMIT (GBL) EXCEEDED BY THE NBFC

The Group has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

63. UNSECURED ADVANCES

The Group has not granted unsecured advances against collateral of intangible securities such as charge over the rights, licenses or authority.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

64. PROVISIONS AND CONTINGENCIES

64.1.1 Shriram City Union Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments	6.47	-
Provision towards NPA#	(9,804.56)	(2,699.21)
Provision made towards income tax	37,844.33	35,448.10
Provision for Standard Assets##	9,912.24	14,449.61
Provision towards impairment of financial instruments other than provision for stage 3 assets	171.58	97.45

Expected Credit Loss Provision for stage 3 assets

Provision for standard assets is included in provision towards impairment of financial instruments other than provision for stage 3 assets

64.1.2 Shriram Housing Finance Limited

₹ in lacs

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss account	Year ended March 31, 2021	Year ended March 31, 2020
Provisions for depreciation on investments ##	(30.46)	(2.94)
Provision towards NPA#	347.71	943.36
Provision made towards income tax	935.98	1,422.52
Provision for Standard Assets#	905.45	42.93
Provision for Undrawn commitment	(21.93)	89.91
Provision for Assignment Receivables	185.53	184.83
Other Provision and Contingencies		
Provision for Gratuity	68.30	38.09
Provision for Leave benefits	(25.62)	(34.67)

Amount shown is as per expected credit loss(ECL) of loans & non funded exposure as per Ind AS

Amount shown is as per expected credit loss(ECL) of investment & ECL on interest on investment as per Ind AS

65. DRAW DOWN FROM RESERVES

The draw down from reserves was Nil.

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs

66.1.1 Shriram City Union Finance Limited

a) Concentration of deposits (for deposit taking NBFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total deposits of twenty largest depositors	13,448.28	11,139.38
Percentage of deposits of twenty largest depositors to total deposits of the NBFC	2.43%	2.78%

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

b) Concentration of advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total advances to twenty largest borrowers	28,565.33	36,697.71
Percentage of advances to twenty largest borrowers to total advances of the NBFC	0.97%	1.28%

c) Concentration of exposures

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total exposure to twenty largest borrowers/customers	22,622.75	30,081.83
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	0.77%	1.05%

d) Concentration of NPAs

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top four NPA accounts	4,016.98	5,549.65

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

e) Sector-wise NPAs

S. no	Sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector	As at March 31, 2020 Percentage of NPAs to Total Advances in that sector
1	Agriculture & allied activities	-	-
2	MSME / Corporate borrowers	7.26%	8.33%
3	Services	-	-
4	Loan Against Property	-	
5	Unsecured personal loans	10.86%	11.59%
6	Auto loans		
	i) Auto Loans	8.56%	5.42%
	ii) Two wheeler	5.80%	8.12%
	iii) Pre Owned Two Wheeler	2.21%	0.00%
7	Other personal loans		
	i) Consumer Durable	-	-
	ii) Pledged Jewel	2.86%	4.37%
8	Others	1.04%	0.84%

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

66.1.2 Shriram Housing Finance Limited

a) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

b) Concentration of Loans & Advances

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Loans & Advances to twenty largest borrowers	22,940.75	20,949.10
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	6.77%	10.48%

c) Concentration of all Exposure (including off-balance sheet exposure)

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to twenty largest borrowers /customers	26,779.85	22,588.89
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	7.50%	10.34%

d) Concentration of NPAs#

₹ in lacs

Particulars	As at March 31, 2021	As at March 31, 2020
Total Exposure to top ten NPA accounts	1,556.24	1,242.58

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

e) Sector-wise NPAs#

S. no	Sector	As at March 31, 2021 Percentage of NPAs to Total Advances in that sector
A.	Housing Loans:	
1	Individuals	0.59%
2	Builders/Project Loan	0.17%
3	Corporates	-
4	Others (specify)	-
B.	Non-Housing Loans:	
1	Individuals	2.13%
2	Builders/Project Loan	-
3	Corporates	0.60%
4	Others (specify)	-

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Movement of NPAs #

66.2.1 Shriram City Union Finance Limited

₹ in lacs

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	Net NPAs to Net Advances (%)	3.08%	4.23%
	Movement of NPAs (Gross)		
	(a) Opening balance	2,26,293.73	2,57,668.91
(ii)	(b) Additions during the year	1,00,911.36	1,39,451.43
	(c) Reductions during the year	(1,39,606.34)	(1,70,826.61)
	(d) Closing balance	**1,87,598.75**	**2,26,293.73**
	Movement of Net NPAs		
	(a) Opening balance	1,16,618.58	1,45,294.23
(iii)	(b) Additions during the year	25,800.77	69,564.03
	(c) Reductions during the year	(54,691.19)	(98,239.67)
	(d) Closing balance	**87,728.16**	**1,16,618.58**
	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	1,09,675.14	1,12,374.68
(iv)	(b) Provisions made during the year	75,110.59	69,887.40
	(c) Write-off / write-back of excess provisions	(84,915.15)	(72,586.94)
	(d) Closing balance	**99,870.58**	**1,09,675.14**

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

66. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAs (Contd.)

66.2.2 Shriram Housing Finance Limited

₹ in lacs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net NPAs to Net Advances (%)	1.47%	1.90%
(ii) Movement of NPAs (Gross)		
a) Opening balance	4,884.02	5,164.85
b) Additions during the year	3,003.58	2,646.46
c) Reductions during the year	(1,465.41)	(2,927.29)
d) Closing balance	**6,422.19**	**4,884.02**
(iii) Movement of Net NPAs		
a) Opening balance	3,825.05	4,049.24
b) Additions during the year	2,305.64	2,043.69
c) Reductions during the year	(1,115.19)	(2,267.88)
d) Closing balance	**5,015.50**	**3,825.05**
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	1,058.97	1,115.61
b) Provisions made during the year	697.94	602.77
c) Write-off/write-back of excess provisions	(350.22)	(659.41)
d) Closing balance	**1,406.69**	**1,058.97**

NPA accounts refer to stage 3 assets. Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under IND-AS. 91 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

The Group had granted moratorium upto six months on the payment of installments falling due between March 01, 2020 and August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Group continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID-19 pandemic has significantly affected various sectors of Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Group's business operations. The Group has considered an additional Expected Credit Loss (ECL) provision of ₹ 28,273.05 lacs on account of COVID-19 during year ended March 31,2021. As at March 31,2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at ₹ 71,876.72 lacs. The additional ECL provision on account of COVID-19 is based on the Group's historical experience, collection efficiencies post completion of Moratorium period, scheme by Government of India, internal assessment 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.

67. OVERSEAS ASSETS (for those with joint ventures and subsidiaries abroad)

The Group does not have any joint venture or subsidiary abroad, hence not applicable

68. OFF-BALANCE SHEET SPVS SPONSORED (which are required to be consolidated as per accounting norms)

The Group has not sponsored any off-balance sheet SPV which are required to be consolidated as per accounting norms.

69. CUSTOMER COMPLAINTS

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Number of complaints pending at the beginning of the year	25	20
(b) Number of complaints received during the year	2,982	2,792
(c) Number of complaints redressed during the year	3,005	2,787
(d) Number of complaints pending at the end of the year	2	25

70. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS

70.1 Shriram city union Finance Limited

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
1	Reserve Bank of India	Non-Compliance with directions issued by RBI on verification of the ownership of gold jewellery	5.00	5.00	Nil	Nil	October 12, 2020	Paid
2	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	Enforcement Directorate (ED) / Adjudicating Authority/ Tribunal or any authority under FEMA	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Securities and Exchange Board of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Competition Commission of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

70. DISCLOSURE OF PENALTIES IMPOSED BY RBI AND OTHER REGULATORS (Contd.)

₹ in lacs

Sr. No	Authority	Details of non-compliance made by the Company for which penalty has been levied	Penalty levied	Penalty paid	Penalty provided	Penalty Waived/ Reduced/ Stay Received	Date of payment	Status as on March 31, 2021
7	Financial Intelligence Unit - India	Failure of the Company to file CTR, to evolve an internal mechanism for detecting the transactions, to put in place of an effective mechanism to detect and report suspicious transactions, to undertake risk categorisation of the customers and to conduct periodical review of risk categorisation, to identify and verify the Beneficial Owner	4.50	4.50	Nil	Nil	January 1, 2021	Paid

No penalties have been levied by any regulator on the Company for the year ended March 31, 2020.

70.2 Shriram Housing Finance Limited

No penalties have been imposed by NHB and other regulators for the year ended March 31, 2021 (March 31, 2020: Nil)

71. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012

71.1 Shriram City Union Finance Limited

Instances of fraud for the year ended March 31, 2021:

₹ in lacs

Particulars	Less than ₹ 1 lacs		₹ 1 lac to ₹ 25 lacs		Greater than ₹ 25 lacs		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
A) Person involved								
Staff	-	-	-	-	-	-	-	-
Staff & Customer	-	-	2	5.00	-	-	2	5.00
Customer	-	-	-	-	-	-	-	-
Customer & Outsider	-	-	-	-	-	-	-	-
Staff, Customer & Outsider	-	-	-	-	-	-	-	-
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**
B) Type of Fraud								
Misappropriation and Criminal breach of trust	-	-	-	-	-	-	-	-
Fraudulent encashment/ manipulation of books of accounts	-	-	-	-	-	-	-	-
Unauthorised credit facility extended	-	-	-	-	-	-	-	-
Cheating and Forgery	-	-	2	5.00	-	-	2	5.00
Total	**-**	**-**	**2**	**5.00**	**-**	**-**	**2**	**5.00**

"- "represents Nil

71. DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR VIDE DNBS. PD. CC NO. 256/03.10.042/2011-12 DATED MARCH 2, 2012 (Contd.)

71.2 Shriram Housing Finance Limited

Instances of fraud for the year ended March 31, 2021: Two frauds were detected during the year ended March 31, 2021 and was duly reported to the Board and National Housing Bank. While in one case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the subsidiary company, in the second case, the loan outstanding of ₹22.40 lacs was fully written-off during the year.

72. ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

As at March 31, 2021

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	9,454.48	9,697.77	12,304.94	40,859.07	90,645.87	2,80,783.32	1,09,143.33	-	5,52,888.78
Advances*	1,91,113.30	1,25,251.91	1,33,557.17	3,93,674.14	7,13,677.50	9,43,942.16	2,19,126.74	3,59,436.96	30,79,779.88
Investments	739.98	3,035.97	24.68	72.29	68,210.46	8,823.87	615.65	10,883.99	92,406.90
Borrowings	1,45,065.24	1,03,323.64	1,15,892.77	2,44,771.96	6,32,260.67	8,51,306.81	1,93,209.72	35,894.97	23,21,725.78
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

As at March 31, 2020

₹ in lacs

Particulars	Upto 30/31 Days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	9,781.80	10,148.78	11,456.95	32,897.45	57,201.65	2,21,190.03	58,530.14	-	4,01,206.80
Advances*	1,37,628.10	93,375.72	1,35,020.48	4,06,351.40	6,47,703.15	9,50,035.19	2,50,403.50	2,39,583.82	28,60,101.36
Investments	13,144.73	52.56	12,328.80	61.10	26,558.33	801.13	8,986.55	10,384.97	72,318.17
Borrowings	70,359.39	82,484.51	98,453.07	1,84,849.31	6,15,907.29	9,28,263.02	1,24,294.25	3,668.55	21,08,279.38
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

* net of Impairment loss allowance.

73. PREVIOUS YEAR COMPARATIVES

Previous year's figures have been regrouped/reclassified wherever necessary, to conform to current year's classification.

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

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