(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SHELF PLACEMENT MEMORANDUM

SHRIRAM HOUSING FINANCE LIMITED
(“**Issuer**” / “**Company**”)

A public limited company incorporated under the Companies Act, 1956

Shelf Placement Memorandum for issue of Debentures on a private placement basis

SHELF PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF LISTED, RATED, UNSECURED, SUBORDINATED, TIER II, REDEEMABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INR IN THE NATURE OF TIER II CAPITAL OF EACH HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) (“DEBENTURES” OR “NCDS”) UNDER MULTIPLE SERIES (EACH A “SERIES”), AGGREGATING UP TO INR 230,00,00,000 CRORE (RUPEES TWO HUNDRED AND THIRTY CRORE) (“SHELF LIMIT”) (“ISSUE”).

THE DEBENTURES UNDER A SERIES WILL BE ISSUED IN ONE OR MORE TRANCHES (EACH BEING A “TRANCHE ISSUE”) SUBJECT TO THE SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PLACEMENT MEMORANDUM FOR EACH SUCH TRANCHE ISSUE, WHICH SHOULD BE READ TOGETHER WITH THIS SHELF PLACEMENT MEMORANDUM.

THIS SHELF PLACEMENT MEMORANDUM SHALL BE SUBJECT TO THE TERMS AND CONDITIONS PERTAINING TO THE DEBENTURES UNDER A SERIES OUTLINED HEREUNDER AS MODIFIED / SUPPLEMENTED BY THE TERMS OF THE RESPECTIVE TRANCHE PLACEMENT MEMORANDUM FILED WITH THE STOCK EXCHANGE IN RELATION TO SUCH TRANCHE ISSUE AND OTHER DOCUMENTS IN RELATION TO SUCH ISSUANCE INCLUDING THE PRIVATE PLACEMENT OFFER LETTER(S).

THE TERMS AND CONDITIONS CONTAINED IN THIS SHELF PLACEMENT MEMORANDUM SHALL BE READ IN CONJUNCTION WITH THE PROVISIONS CONTAINED IN THE RESPECTIVE TRANCHE PLACEMENT MEMORANDUM, AND IN CASE OF ANY REPUGNANCY, INCONSISTENCY OR WHERE THERE IS A CONFLICT BETWEEN THE TERMS AND CONDITIONS AS ARE STIPULATED IN THE RESPECTIVE TRANCHE PLACEMENT MEMORANDUM ON ONE HAND, AND THE TERMS AND CONDITIONS IN THE SHELF PLACEMENT MEMORANDUM ON THE OTHER, THE PROVISIONS CONTAINED IN THE TRANCHE PLACEMENT MEMORANDUM SHALL PREVAIL OVER AND OVERRIDE THE PROVISIONS OF THIS SHELF PLACEMENT MEMORANDUM FOR ALL INTENTS AND PURPOSES.

PART A: DISCLOSURES IN ACCORDANCE WITH SEBI DEBT LISTING REGULATIONS

*** Please refer pages 1-5 for all information required to be placed on the front page of the shelf placement memorandum in accordance with Schedule II of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended* (“**SEBI Debt Listing Regulations**”).

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations:

S.no	Particulars	Relevant Disclosure
1.	**Corporate Identity Number of the Issuer**	U65929TN2010PLC078004
2.	**Permanent Account Number of the Issuer**	AAPCS3213D
3.	**Date and place of Incorporation of the Issuer**	Date of incorporation: November 9, 2010. Place of incorporation: Chennai, India
4.	**Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case the RBI)**	08.0094.11, dated August 4, 2011.
5.	**Registered office address of the Issuer**	123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India. Telephone: (+91 44) 2534 1431

6.	**Corporate office address of the Issuer**	Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India. Telephone: (+91 22) 4241 0400
7.	**Telephone Number of the Issuer**	(+91 22) 4241 0400
8.	**Details of Compliance officer of the Issuer**	Name: Mrs. Puja Shah. Telephone Number: (+91 22) 42410 400 Email address: sect@shriramhousing.in
9.	**Details of Company Secretary of the Issuer**	Name: Mrs. Puja Shah. Telephone Number: (+91 22) 42410 400 Email address: sect@shriramhousing.in
10.	**Details of Chief Financial Officer of the Issuer**	Name: Mr. G. S. Agarwal Telephone Number: (+91 22) 4241 0400 Email address: sect@shriramhousing.in
11.	**Details of Promoters of the Issuer**	Name: Shriram Finance Limited Telephone Number:022 40959595 Email address: balasundar@shriramfinance.in
12.	**Website address of the Issuer**	www.shriramhousing.in
13.	**Email address of the Issuer**	sect@shriramhousing.in
14.	**Details of debenture trustee for the Issue**	Name: Beacon Trusteeship Limited Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Cricket Club, Bandra East, Mumbai – 400051. Logo: BEACON TRUSTEESHIP Telephone Number: 022-26558759 Email address: contact@beacontrustee.co.in Contact person: Mr. Kaustubh Kulkarni
15.	**Details of credit rating agency for the Shelf Issue**	Name: CRISIL RATINGS LIMITED Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Logo: CRISIL Ratings Telephone Number: (+91 22) 3342 3000 Email address: ajit.velonie@crisil.com Contact person: Mr. Ajit Velonie Name: CARE RATINGS LIMITED Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Logo: CareEdge Ratings • Advisory • Research • Risk Solutions Telephone Number: (+91 22) 6754 3456 Email address: care@careedge.in Contact person: Mr. Ravi Shankar
16.	**Date of Shelf Placement Memorandum**	May 15, 2023. This Shelf Placement Memorandum and the issue of Debentures by the Issuer hereunder in each Tranche Issue shall be valid for a period of 1 (one) year from the issue opening date of the first Tranche Issue of Debentures issued by the Issuer by way of a Tranche Placement Memorandum.
17.	**Type of placement memorandum**	This Shelf Placement Memorandum is being issued in relation to the private placement of Debentures (which will be issued under the terms of each Tranche Issue and the respective Tranche Placement Memorandum). In respect of each offer of Debentures during the period of validity of this Shelf Placement Memorandum, the Issuer shall file with the Stock Exchange, the Tranche Placement Memorandum with respect to each Tranche Issue,

		containing details of the private placement and material changes, if any, in the information including the financial information provided in this Shelf Placement Memorandum or the earlier Tranche Placement Memorandum, as applicable.
18.	**The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable**	230 (Two Hundred and Thirty) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) aggregating up to the Shelf Limit on a private placement basis.
19.	**The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the Shelf Placement Memorandum**	The Shelf Limit is INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).
20.	**Details of Registrar to the Issue**	Name: INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna St, North Usman Road, T Nagar, Chennai- 600 017. Logo: Integrated Corporate Solutions Simplified Telephone Number: (+91 44) 2814 0801 / 2814 0803 Fax number: (+91 44) 2814 2479 Website: www.integratedindia.in Email address: anusha@integratedindia.in
21.	**Issue Schedule**	Date of opening of the Issue: As set out in the relevant Tranche Placement Memorandum Date of closing of the Issue: As set out in the relevant Tranche Placement Memorandum Date of earliest closing of the Issue (if any): N.A.
22.	**Credit Rating of the Issue**	CARE Ratings Limited has vide its letters and rating rationale each dated May 4, 2023, assigned a rating of "CARE AA+/Stable" (pronounced as "CARE Double A Plus") with "Stable" outlook and CRISIL Ratings Limited vide its letters and rating rationale each dated May 5, 2023, assigned a rating of "CRISIL AA+/Stable" (pronounced as "CRISIL Double A Plus") with "Stable" outlook in respect of the Debentures. The relevant Tranche Placement Memorandum shall contain the rating letters from the Rating Agencies which will be valid on the date of issue and listing of the relevant Tranche Issue of Debentures. Please refer to **Annexure II** of this Shelf Placement Memorandum for the letter and rating rationale from the Rating Agencies assigning the credit rating abovementioned and the press release by the Rating Agencies in this respect. Link to press releases: CARE Ratings Limited: https://www.careratings.com/upload/CompanyFiles/PR/202305120536_Shriram_Housing_Finance_Limited.pdf CRISIL Ratings Limited: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShriramHousingFinanceLimited_May%2005,%202023_RR_318477.html
23.	**All the ratings obtained for the private placement of Issue**	Please refer to serial number 22 (*Credit Rating of the Issue*) above. No other ratings have been obtained for the purposes of this Issue.

24.	**The name(s) of the stock exchanges where the securities are proposed to be listed**	The Debentures are proposed to be listed on the debt market segment of the BSE Limited ("**BSE**").
25.	**The details about eligible investors**	The following categories of investors, are eligible to apply for this private placement of Debentures under the relevant Tranche Issue subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): 1. Qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**QIBs**"), which comprises of the following investors: • a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; • foreign portfolio investor other than individuals, corporate bodies and family offices; • a public financial institution; • a scheduled commercial bank; • a multilateral and bilateral development financial institution; • a state industrial development corporation; • an insurance company registered with the Insurance Regulatory and Development Authority of India; • a provident fund with minimum corpus of INR 25 Crore; • a pension fund with minimum corpus of INR 25 Crore; • National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • insurance funds set up and managed by army, navy or air force of the Union of India; • insurance funds set up and managed by the Department of Posts, India; and • systemically important NBFCs registered with RBI having a net worth of more than INR 500 Crore. 2. Any non QIB investor which is specifically mapped by the Issuer to the relevant Tranche Issue of Debentures. All potential Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. **Note:** Participation by potential Eligible Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
26.	**Coupon rate / interest rate, coupon / interest payment frequency, redemption date, redemption amount and details of debenture trustee**	The Interest Rate, the Interest payment frequency, the redemption date and redemption amount in respect of the Debentures, will be set out in the relevant Tranche Placement Memorandum. The details of Debenture Trustee are provided under serial number 14 above.
27.	**Nature and issue size, base issue and green shoe option, if**	230 (Two Hundred and Thirty) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of

	any, shelf or tranche size, each as may be applicable	Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) aggregating up to the Shelf Limit on a private placement basis.
28.	**Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters**	Not applicable.
29.	**Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable**	This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus, and is neither an offer nor invitation under Section 42 of the Companies Act 2013, being made under this Shelf Placement Memorandum. The relevant Tranche Placement Memorandum will be uploaded on the BSE's electronic book provider platform. An offer will be made to successful Investors acceptable to the Issuer which will be issued a serially numbered and specifically addressed Private Placement Offer Letter and Application Form after completion of the electronic bidding, for each Tranche Issue.
30.	**Specific declaration requested by BSE: non-equity regulatory capital**	The issue of Debentures under each Series does not form part of non-equity regulatory capital as set out in the SEBI circular dated February 8, 2023 (bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027) and under Chapter V and Chapter XIII of the Listed NCDs Operational Circular. The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh). Notwithstanding the above, the Debentures shall form part of the Tier II Capital of the Issuer pursuant to the HFC Directions.

Background
This Shelf Placement Memorandum (as defined below) is related to the Debentures to be issued by Shriram Housing Finance Company Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 7, 2022 and the Board of Directors of the Issuer on April 25, 2022 read with the resolution passed by the banking and finance committee of the Board of Directors on May 8, 2023 (and as updated for each Tranche Issue), and the Memorandum and Articles of Association of the Issuer. Pursuant to the resolution passed by the Issuer's shareholders dated June 7, 2022 in accordance with provisions of the Companies Act, 2013, the Issuer has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 11,000,00,00,000 (Indian Rupees Eleven Thousand Crores Only). The present issue of Debentures in terms of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum is within the overall powers of the Board in accordance with the above shareholder resolution.

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

Issue Schedule	
Particulars	**Date**
Issue Opening Date	As set out in the relevant Tranche Placement Memorandum
Issue Closing Date	As set out in the relevant Tranche Placement Memorandum
Pay In Date	As set out in the relevant Tranche Placement Memorandum
Deemed Date of Allotment	As set out in the relevant Tranche Placement Memorandum

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Shelf Placement Memorandum.

Act or Companies Act	The Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	The issue and allotment of the Debentures under a Tranche Issue to the successful Applicants pursuant to the relevant Tranche Placement Memorandum.
Applicable Law	Any statute, law, regulation, notification, ordinance, rule, judgement, rule of law, order, decree, government resolution, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or governmental or regulatory authority including without limitation stock exchanges, having jurisdiction over the matter in question, whether in effect as of the date of the Master Debenture Trust Deed, the Supplement to the Master Debenture Trust Deed, or thereafter and in each case as amended.
Applicable Accounting Standards	The generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes the Indian Accounting Standards (IND-AS).
Applicant	An Eligible Investor, who bids under the relevant Tranche Issue of Debentures under a Tranche Issue pursuant to the terms of this Shelf Placement Memorandum, the Tranche Placement Memorandum and the Application Form.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Debentures under a Tranche Issue and which will be considered as the application for Allotment of Debentures under a Tranche Issue under the relevant Tranche Placement Memorandum, which is in the form annexed to this Shelf Placement Memorandum and marked as **Annexure IV**.
Application Money	The subscription amounts paid by the Applicant at the time of submitting the Application Form under the relevant Tranche Issue of Debentures.
Arranger	Arrangers are the entities as listed in the relevant Tranche Placement Memorandum.
Assets	For any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Beneficial Owner(s)	For a Series on a several basis, the persons who are for the time being the beneficiaries of the Debentures under a Series pursuant to the list of the Beneficial Owner(s) for a Series maintained by the Depositories, namely National Securities Depository Ltd. and Central Depository Services (India) Ltd., in dematerialised form and being furnished to the Issuer as at the Record Date for a Series.
Board / Board of Directors	The board of directors of the Issuer.
BSE	BSE Limited.
BSE EBP Guideline	The "Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by BSE vide their notice number 20221228-1 dated December 28, 2022.
Business Day	means: (a) subject to (b) and (c) below, means any day on which commercial banks in Mumbai, India are open for business; (b) for the period commencing on the "Issue Opening Date" as set out in the relevant Tranche Placement Memorandum until the "Issue Closing Date" as set out in the relevant Tranche Placement Memorandum, any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881), on which commercial banks in Mumbai, India are open for business; and (c) for the period commencing on the "Issue Closing Date" as set out in the Tranche Placement Memorandum until the listing of the Debentures for each Series in accordance with the Master Debenture Trust Deed, any trading day of BSE, other than a Saturday, Sunday or a bank holiday, as specified by SEBI.
Capital Adequacy Ratio	The capital adequacy ratio as determined under the NBFC-HFC Directions.
CDSL	Central Depository Services (India) Limited.
Client Loan	Each loan made by the Issuer as a lender and "Client Loans" shall refer to the aggregate of such loans.

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Company/Issuer	Shriram Housing Finance Limited, a public limited company incorporated under the Companies Act, 1956, having corporate identity number U65929TN2010PLC078004 and registered as a housing finance company with the Reserve Bank of India/National Housing Bank, having its registered office at 123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India and having its corporate office at Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.
Conditions Precedent	The conditions precedent for each Tranche Issue set out under the heading in Section 5.35 (*Tranche Issue Details*) of this Shelf Placement Memorandum, and as may be modified by the relevant Tranche Placement Memorandum.
Conditions Subsequent	The conditions subsequent for each Tranche Issue set out in Section 5.35 (*Tranche Issue Details*) of this Shelf Placement Memorandum, and as may be modified by the relevant Tranche Placement Memorandum.
Constitutional Documents	The certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI/NHB to the Issuer.
Crore	Ten million.
Debentures/NCDs	Listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) aggregating to the Shelf Limit on a private placement basis, each offered under the relevant Series, through private placement route under the terms of this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum and the Application Form. The issue of Debentures under each Series does not form part of non-equity regulatory capital as set out in the SEBI circular dated February 8, 2023 (bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027) and under Chapter V and Chapter XIII of the Listed NCDs Operational Circular. The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh). Notwithstanding the above, the Debentures shall form part of the Tier II Capital of the Issuer pursuant to the HFC Directions.
Debenture Holders / Investors	For a Series on a several basis, each Eligible Investor for a Series who fulfils the following requirements: (a) persons who are registered as Beneficial Owners for each Series; and (b) persons who are registered as debenture holder(s) for each Series in the Register of Debenture Holder(s), (and shall include registered transferees of the Debentures for each Series from time to time with the Issuer and the Depository) and in the event of any inconsistency between sub paragraph (a) and (b) above, sub paragraph (a) shall prevail.
Debenture Trustee	Beacon Trusteeship Limited.
Debenture Trustees Regulations	The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
Deemed Date of Allotment	For a Series on a several basis, the cut-off date on which the duly authorized committee approves the Allotment for a Series, i.e. the date from which all benefits under the Debentures under a Series including Coupon on the Debentures under a Series shall be available to the Debenture Holder(s) for a Series. The actual allotment of Debentures under a Series may take place on a date other than the Deemed Date of Allotment.
Demat	Dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depositories	The depositories with which the Issuer has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Documents	(a) Private Placement Offer Letter for each Series of Debentures; (b) The Shelf Placement Memorandum; and (c) Each Tranche Placement Memorandum. and "Disclosure Document" means any of them.

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DP ID	Depository Participant Identification Number.
Due Date	For each Series on a several basis, the date on which any Interest, any Redemption Payment, any additional interest, any liquidated damages, any premature redemption amount and/or any other amounts payable, are due and payable, including but not limited to the Redemption Date, or any other date on which any payment is to be made by the Issuer under the Transaction Documents.
EFT	Electronic Fund Transfer.
EBP	Electronic Bidding Platform.
Eligible Investors / Investor	This term has the meaning specified in serial number 25 of Part A (*Disclosures*) above of this Shelf Placement Memorandum.
Event of Default	The events of default set out in Section 5.35 (*Tranche Issue Details*) of this Shelf Placement Memorandum.
Exclusion List	means: (a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES; (b) production or trade in weapons and munitions; (c) production or trade in alcoholic beverages (excluding beer and wine); (d) production or trade in tobacco; (e) gambling, casinos and equivalent enterprises; (f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment); (g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20% (Twenty percent)); (h) drift net fishing in the marine environment using nets in excess of 2.5 k.m. in length; (i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labor; (j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products); (k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples; and (l) any activity which may result in funding or supporting any individual or organisation designated as: (i) terrorists or terrorist organisations by the United Nations, the European Union and any other applicable country; and (ii) persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions.
Final Settlement Date	For each Series on a several basis, the date on which all Debenture Obligations for the relevant Series have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders for the relevant Series.
Financial Indebtedness	Any indebtedness for or in respect of: (a) monies borrowed and debit balances at banks or other financial institutions; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or bill discounting facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility, or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease, hire purchase contract or similar arrangement which would, in accordance with the Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for derecognition under the Accounting Standards); (f) any amount raised under any other transaction (including any forward sale or

	purchase, sale and lease back and sale and buy back agreement) which has the commercial effect of borrowing or is otherwise classified as borrowing under the Accounting Standards; (g) the amount of any liability under an advance or deferred payment agreement; (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account; (i) shares (or any instruments convertible into shares) which are expressed to be redeemable (other than at the option of the issuer), or any put option or any obligation under any put option in respect of any shares; (j) any obligation constituting 'financial debt' under the IBC; and (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (k) above.
Financial Year/ FY	Each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.
Governmental Authority	A "Governmental Authority" includes the president of India, the government of India, governor or the government of any state in India or any ministry, department, board, authority, instrumentality, agency, corporation or commission semi-governmental or judicial or quasi-judicial or administrative entity, under the direct or indirect control of the government of India, any self-regulatory organization, each established under any Applicable Law.
Half Yearly Dates	Each of June 30 and December 31, of a calendar year, and "Half Yearly Dates" shall be construed accordingly.
HFC	A housing finance company.
IBC	The Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof.
IND AS	The Indian generally accepted accounting principles issued under the Companies (Indian Accounting Standards) Rules, 2015, as amended, together with any pronouncements issued under applicable law thereon from time to time and applied on a consistent basis by the Issuer.
Information Utility	The National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Interest	The interest payable on each Series of Debentures in accordance with the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed.
ISIN	International Securities Identification Number.
Issue Closing Date	As set out in the relevant Tranche Placement Memorandum.
Issue Opening Date	As set out in the relevant Tranche Placement Memorandum.
Listed NCDs Operational Circular	The circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, or restated from time to time.
LODR Regulations or SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Majority Debenture Holders	For each Series on a several basis, such number of Debenture Holders for the relevant Series collectively holding more than 50% (fifty percent) of the value of the Outstanding Principal Amounts of the Debentures for the relevant Series.
Majority Resolution	For each Series on a several basis, a resolution approved by the Majority Debenture Holders who are present and voting or if a poll is demanded, by the Majority Debenture Holders who are present and voting in such poll.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on:

	(a) on the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders for each Series hereunder or under any other Transaction Document; (b) on the ability of the Issuer to perform its obligations under the Transaction Documents; or (c) on the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Master Debenture Trust Deed	The trust deed executed/to be executed by and between the Debenture Trustee and the Issuer which will set out the terms upon which the Debentures under each Series are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer. The Issuer and Debenture Trustee shall enter into a Supplement to the Master Debenture Trust Deed for each Series of Debentures being issued under the relevant Tranche Placement Memorandum.
Master Debenture Trustee Agreement	The agreement executed/to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures under the Shelf Issue. The Issuer and Debenture Trustee shall enter into a Supplement to the Master Debenture Trustee Agreement for each Series of Debentures being issued under the relevant Tranche Placement Memorandum.
NBFC	Non-banking financial company.
NBFC-HFC Directions or HFC Directions	The RBI's circular number DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on "Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021" dated February 17, 2021 (as amended, modified or restated from time to time) read with the RBI's circular number DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "Implementation of Indian Accounting Standards".
N.A.	Not Applicable
NHB	The National Housing Bank.
NSDL	National Securities Depository Limited
Net Stage 3 Assets	The amount calculated on the basis of the Stage 3 Assets less the expected credit loss (ECL) on Stage 3 Assets.
Net Worth	This term has the meaning given to it in the Companies Act.
NHB	National Housing Bank.
NHB Approval	The approval of the NHB for redemption of the Debentures, in accordance with the HFC Directions.
Outstanding Amounts	For each Series on a several basis, at any date, the Outstanding Principal Amounts together with any Interest (including any accrued but unpaid/uncrystallised Interest), additional interest, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures for the relevant Series.
Outstanding Principal Amount	For each Series on a several basis, at any date, the principal amounts outstanding under the Debentures for the relevant Series.
PAN	Permanent Account Number
Payment Default	For each Series on a several basis, any event, act or condition which would constitute an Event of Default under paragraph (i) under the section named "Events of Default" under Section 5.35 (*Tranche Issue Details*) of this Shelf Placement Memorandum.
Person	Includes an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.
Private Placement Offer cum Application Letter/PPOA	The offer cum application letter for the relevant Series of Debentures, prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Promoters	This term has the meaning given to it in the Debt Listing Regulations.
Promoter Group	This term has the meaning given to it in the Debt Listing Regulations.
Rating	CARE AA+/Stable (pronounced as "CARE Double A Plus") with "Stable" outlook by CARE Ratings Limited, and "CRISIL AA+/Stable" (pronounced as "CRISIL

	Double A Plus") with "Stable" outlook by CRISIL Ratings Limited, and as may be updated under the relevant Tranche Placement Memorandum.
Rating Agency	CRISIL Ratings Limited and CARE Ratings Limited being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time, and shall include such other rating agency as may be updated in the relevant Tranche Placement Memorandum.
RBI	Reserve Bank of India.
Redemption Date	For a Series on a several basis, the date as mentioned in the relevant Tranche Placement Memorandum for such Series, subject to NHB Approval.
Redemption Payment	For a Series on a several basis, the aggregate of the Outstanding Principal Amounts along with all the accrued and unpaid Interest, Default Interest, costs, charges, expenses and other Debenture Obligations due in respect of the Debentures due and payable on the Redemption Date for the relevant Series, as applicable.
Record Date	For a Series on a several basis, the date being 7 (Seven) calendar days prior to the due date on which any payments are to be made to the Debenture Holder(s) for the relevant Series in accordance with the terms of the Debentures for the relevant Series on the basis of which the determination of the persons entitled to receive redemption of Outstanding Principal Amount, Interest, and other payments, if any, as the case may be, in respect of the Debentures for the relevant Series shall be made. If such date is not a Business Day, the immediately preceding Business Day would be considered for the purposes of this provision.
REF / Recovery Expense Fund	The recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of the SEBI Debenture Trustee Operational Circular.
Register of Beneficial Owners	The register of beneficial owners of the Debentures for the relevant Series maintained in the records of the Depositories.
Register of Debenture Holders	The register of debenture holders maintained by the Issuer in accordance with Section 88 of the Companies Act.
R&T Agent or Registrar	Registrar and Transfer Agent to the Issue, in this case being Integrated Registry Management Services Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified or restated from time to time.
SEBI Listed Debentures Circulars	Collectively, the SEBI Debenture Trustee Operational Circular, the Listed NCDs Operational Circular, and the LODR Regulations (to the extent applicable).
SEBI Listing Timelines Requirements	The requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization Of Timelines For Listing Of Securities Issued On A Private Placement Basis*) of the Listed NCDs Operational Circular.
SEBI Debenture Trustee Operational Circular	SEBI's circular bearing reference number SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023 on "Operational Circular for Debenture Trustees", as amended, modified, supplemented or restated from time to time.
Series	Shall mean, as the context may require, the relevant tranche of Debentures issued under a Tranche Issue, in accordance with this Shelf Placement Memorandum, the Tranche Placement Memorandum and the Application Form.
Shelf Limit	The aggregate amount of INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).
Shelf Issue	The issue of Debentures under this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum up to the Shelf Limit.
Shelf Placement Memorandum	This shelf placement memorandum issued by the Issuer for the Shelf Issue on a private placement basis in accordance with Applicable Laws.
Special Majority Debenture Holders	For a Series on a several basis, such number of Debenture Holders for the relevant Series collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures for the relevant Series.
Special Resolution	For a Series on a several basis, a resolution approved by the Special Majority

<table>
<tr><td></td><td>Debenture Holders who are present and voting or if a poll is demanded, by the Special Majority Debenture Holders who are present and voting in such poll.</td></tr>
<tr><td>Stressed Assets Framework</td><td>The RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets", as may be amended, modified or restated from time to time.</td></tr>
<tr><td>Stage 3 Assets</td><td>The Client Loans identified as "Stage 3 Assets" in accordance with the Applicable Accounting Standards and the NBFC-HFC Directions.</td></tr>
<tr><td>Subordinated Debt</td><td>An instrument, as defined in the HFC Directions which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of NHB. The book value of such instrument shall be subjected to discounting as provided hereunder:
<table>
<tr><td>Remaining Maturity of the instruments</td><td>Rate of discount</td></tr>
<tr><td>Up to one year</td><td>100%</td></tr>
<tr><td>More than one year but up to two years</td><td>80%</td></tr>
<tr><td>More than two years but up to three years</td><td>60%</td></tr>
<tr><td>More than three years but up to four years</td><td>40%</td></tr>
<tr><td>More than four years but up to five years</td><td>20%</td></tr>
</table>
to the extent such discounted value does not exceed fifty per cent of the Issuer's tier I capital.</td></tr>
<tr><td>Supplement to the Master Debenture Trust Deed</td><td>The supplement to the Master Debenture Trust Deed, entered into by the Issuer and Debenture Trustee setting out the terms of each Tranche Issue for each Series of Debentures being issued under the relevant Tranche Placement Memorandum.</td></tr>
<tr><td>Supplement to the Master Debenture Trustee Agreement</td><td>The supplement to the Master Debenture Trustee Agreement, entered into by the Issuer and Debenture Trustee setting out the terms of appointment of the Debenture Trustee under each Tranche Issue for each Series of Debentures being issued under the relevant Tranche Placement Memorandum.</td></tr>
<tr><td>Tier II Capital</td><td>This term has the meaning as set out in the HFC Directions, and shall include Subordinated Debt.</td></tr>
<tr><td>TDS</td><td>Tax Deducted at Source.</td></tr>
<tr><td>Terms & Conditions</td><td>The terms and conditions pertaining to each Tranche Issue as outlined in the relevant Transaction Documents.</td></tr>
<tr><td>Tax</td><td>Any present or future tax, levy, duty, charge, fees, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter imposed by law by any Governmental Authority and as may be applicable in relation to the payment obligations of the Issuer under the Master Debenture Trust Deed.</td></tr>
<tr><td>Tax Deduction</td><td>A deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.</td></tr>
<tr><td>Total Assets</td><td>For any date of determination, the total Assets of the Issuer on such date.</td></tr>
<tr><td>Tranche Issue</td><td>The private placement of the Debentures under each Series, pursuant to the relevant Tranche Placement Memorandum.</td></tr>
<tr><td>Tranche Placement Memorandum</td><td>Shall mean, as the context may require, a document supplementing the Shelf Placement Memorandum, whereby future subscription to the Debentures under a Series shall be invited by the Issuer on a private placement basis.</td></tr>
<tr><td>Transaction Documents</td><td>means:
(a) the trustee consent letter;
(b) the Master Debenture Trust Deed;
(c) the Master Debenture Trustee Agreement;
(d) each Supplement to the Master Debenture Trustee Agreement;
(e) each Supplement to the Master Debenture Trust Deed;
(f) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders,
and "Transaction Document" means any of them.</td></tr>
<tr><td>Wilful Defaulter</td><td>A Person is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes an Person whose director or promoter is categorized as such.</td></tr>
</table>

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Shelf Placement Memorandum and the relevant Tranche Placement Memorandum are neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures under each Series will be listed on the debt market segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Shelf Placement Memorandum and the relevant Tranche Placement Memorandum do not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures under each Series to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by HFCs. This Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Shelf Placement Memorandum and the relevant Tranche Placement Memorandum do not purport to contain all the information that any Eligible Investor may require. Further, this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Neither this Shelf Placement Memorandum (and the relevant Tranche Placement Memorandum) nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Shelf Placement Memorandum (and the relevant Tranche Placement Memorandum) should not consider such receipt as a recommendation to subscribe to any Debentures under a Series. Each potential Investor contemplating subscription to any Debentures under a Series should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures under a Series and should possess the appropriate resources to analyze such investment and the suitability of such investment to such potential Investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Shelf Placement Memorandum (including the documents incorporated by reference herein, if any) contains all the information that is material in the context of the Shelf Issue (and the relevant Tranche Placement Memorandum read with this Shelf Placement Memorandum, shall contain all the information that is material in the context of the Tranche Issue) and the relevant Tranche Placement Memorandum read with this Shelf Placement Memorandum will contain the regulatory requirements in relation to the relevant Tranche Issue and is accurate in all such material respects.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum or in any material made available by the Issuer to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having being authorized by the Issuer. The Issuer certifies that the disclosures made in this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum and/or the Private Placement Offer cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Further, the Issuer accepts no responsibility for statements made otherwise than in the Shelf Placement Memorandum and the relevant Tranche Placement Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum would be doing so at its own risk.

This Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures, and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures under each Series. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in the relevant Tranche Issue. The contents of Shelf Placement Memorandum, the relevant Tranche

Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom Application Forms along with the Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures being issued have been sent. Any application by a person to whom the Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures has not been sent by the Issuer shall be rejected without assigning any reason.

The person who is in receipt of the Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents hereof without the consent of the Issuer. The recipient agrees to keep confidential all information provided (or made available hereafter), including, without limitation, the existence and terms of the Issue, any specific pricing information related to the Issue or the amount or terms of any fees payable to us or other parties in connection with the Issue. This Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures may not be photocopied, reproduced, or distributed to others at any time without the prior written consent of the Issuer. Upon request, the recipients will promptly return all material received from the Issuer (including this Shelf Placement Memorandum) without retaining any copies hereof. If any recipient of this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures decides not to participate in the Issue, that recipient must promptly return this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the relevant Tranche Issue to the Issuer.

The Issuer does not undertake to update the Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures to reflect subsequent events after the date of Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures, nor any sale of Debentures under the relevant Series, made hereafter shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures under each Series or the distribution of this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures in any jurisdiction where such action is required. Persons into whose possession this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures comes are required to inform themselves of, and to observe, any such restrictions. The Shelf Placement Memorandum and the relevant Tranche Placement Memorandum is made available to potential Investors in the Issue on the strict understanding that it is confidential.

2.2 DISCLAIMER CLAUSE OF THE STOCK EXCHANGE

As required, a copy of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been / will be been filed with the BSE in terms of the SEBI Debt Listing Regulations. It is to be distinctly understood that submission of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has been reviewed, cleared, or approved by the BSE; nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum, nor does the BSE warrant that the Issuer's

Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

The Issuer has a valid certificate of registration issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Issuer or for the correctness of any of the statements or representations made or opinions expressed by the Issuer and for repayment of deposits / discharge of liability by the Issuer.

2.4 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is made in India to investors as specified under the paragraph titled “Eligible Investors” of this Shelf Placement Memorandum, who shall be/have been identified upfront by the Issuer. This Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures does not constitute an offer to sell or an invitation to subscribe to Debentures offered under each Series to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai, India. This Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for each Series of Debentures does not constitute an offer to sell or an invitation to subscribe to the Debentures under each Series, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The Rating Agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The Rating Agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the Rating Agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures under each Series will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures under each Series in dematerialised form. Investors will have to hold the Debentures under each Series in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the Investor with its depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money, for each Series of Debentures.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 3: RISK FACTORS

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Eligible Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, Eligible Investors must rely on their examination of the issue including the risks involved in it. Specific attention of Eligible Investors is invited to Section 3 (Risk Factors) of this Shelf Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or the Eligible Investor's decision to purchase such Debentures.

The following are the risks relating to the Issuer, the Debentures and the market in general envisaged by the management of the Issuer. Potential Investors should carefully consider all the risk factors stated in this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer cum Application Letter for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Debentures. Potential Investors should also read the detailed information set out elsewhere in this Shelf Placement Memorandum and/or the Private Placement Offer cum Application Letter and reach their own views prior to making any investment decision.

3. GENERAL RISKS

3.1 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

(a) Subordinated debentures

The Debentures are unsecured and payment obligations are subordinated to the claims of other creditors. The Debentures are free from restrictive clauses. Further, the Debentures are not redeemable at the instance of the Debenture Holders or without the consent of the NHB.

(b) Repayment is subject to the credit risk of the Issuer

Potential Investors should be aware that receipt of the Outstanding Principal Amount, (i.e. the Redemption Amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer whereby the Investor(s) may or may not recover all or part of the funds in case of default by the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

(c) The secondary market for non-convertible securities may be illiquid

The non-convertible securities may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the non-convertible securities, it is not likely to provide significant liquidity. Potential Investors may have to hold the Debentures until redemption to realize any value.

(d) Credit Risk & Rating Downgrade Risk

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential Investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

(e) Changes in interest rates may affect the price of Debentures

All securities are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

(f) Tax Considerations and Legal Considerations

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

(g) Accounting Considerations

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

(h) Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.2 REFUSAL IN LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.

3.3 LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

3.4 IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

3.5 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) If the Issuer is unable to control the level of non-performing loans in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.

The Issuer's financial condition is directly correlated to its ability to control the level of non-performing assets ("NPAs") in the future and if the Issuer's loan loss reserves are insufficient to cover future loan losses, its financial condition and results of operations may be materially and adversely affected.

As on March 31, 2023, the gross NPA was INR 62.43 Crore after considering the RBI IRAC norms and without considering RBI IRAC norms GNPA is INR 38.19 Crore on a gross Loan Book of INR 6,733.64 Crore.

The Issuer cannot assure that it will be able to effectively control the level of the NPAs of its client loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and due to other factors beyond its control. If the Issuer is unable to manage its NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans or inability to realize the debt. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

(b) The Issuer is exposed to certain political, regulatory and concentration of risks

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks.

(c) The Issuer intends to expand into new cities, with no guarantee that these operations will be successful

The Issuer plans to expand its operations in across all the states where it is operating in which it has a presence and new states across India. The Issuer believes that this strategy is advisable from a financial perspective and that it will provide risk diversification benefits and enables it to achieve its corporate objectives. However, if the Issuer is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

(d) Changes in interest rates of the loans that the Issuer can borrow could reduce profit margins

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition.

(e) Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the banking and financial services industries.

The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth.

The Issuer's business is dependent on its team of personnel who directly manage its relationships with its borrowers. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its borrowers over a period of time.

The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is high, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(f) The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(g) The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(h) The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations

HFCs in India are subject to strict regulation by RBI and supervision by NHB. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as an HFC. The Issuer has the requisite approvals, licenses, registrations, compliances and permissions for operating its business, including registration with the NHB as an HFC. Further, such approvals, licenses, registrations, compliance requirements and permissions shall be maintained over time, including all the applicable requirements that may by updated by RBI from time to time. The Issuer has obtained a certificate of registration (COR 08.0094.11 dated August 4, 2011) from NHB for carrying on business as an HFC.

(i) Political and Economic Risk in India

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

(j) The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors.

The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and the Issuer has experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Issuer's ability to service the obligations in relation to the Debentures.

3.6 ANY OTHER RISK FACTORS

(a) Legality of Purchase

Potential Investors in the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of their incorporation or the jurisdiction in which they operate or for compliance by that potential Investor with any law, regulation or regulatory policy applicable to it.

(b) Debenture Redemption Reserve

HFCs registered with RBI are exempt from the requirement of creation of debenture redemption reserve in respect of privately placed debentures. Pursuant to this rule, the Company does not intend to create any such reserve funds for the redemption of the Debentures.

SECTION 4: FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS (PROFIT AND LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) OF THE ISSUER FOR EACH OF THE FINANCIAL YEARS ENDED MARCH 31, 2023, MARCH 31, 2022, MARCH 31, 2021 AND AUDITORS REPORTS ARE SET OUT IN **ANNEXURE V** HERETO.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 5: REGULATORY DISCLOSURES

The Shelf Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this Section 5 (Regulatory Disclosures), the Issuer has set out the details required as per Schedule II of the SEBI Debt Listing Regulations.

5.1 Documents Submitted to the Exchanges

The following documents have been / shall be submitted along with the listing application to the BSE and with the Debenture Trustee:

(a) This Shelf Placement Memorandum;
(b) The relevant Tranche Placement Memorandum;
(c) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures under each Series;
(d) Copy of the resolution passed by the shareholders of the Issuer at the Annual General Meeting held on June 7, 2022 authorizing the issue / offer of non-convertible debentures by the Issuer;
(e) Copies of the resolutions passed by the shareholders of the Issuer at the Annual General Meeting held on June 7, 2022 authorising the Issuer to borrow, upon such terms as the Board may think fit, up to an aggregate limit of INR 11,000,00,00,000 (Indian Rupees Eleven Thousand Crore);
(f) Copy of the resolution passed by the Board of Directors of the Issuer dated April 25, 2022 authorizing the issuance of the Debentures under each Series and the list of authorized signatories;
(g) Copy of last 3 (three) years audited Annual Reports;
(h) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(i) An undertaking from the Issuer stating that the Master Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where such debt securities are proposed to be listed.
(j) Any other particulars or documents that the recognized stock exchange may call for as it deems fit; and
(k) Due diligence certificates from the Debenture Trustee as per the format specified in Schedule IV(A) of the SEBI Debt Listing Regulations.

The following documents have been / shall be submitted to BSE at the time of filing the Shelf Placement Memorandum:

(a) Due diligence certificates from the Debenture Trustee as per the format specified in the SEBI Debenture Trustee Operational Circular and Schedule IV(A) of the SEBI Debt Listing Regulations.

5.2 Details of Promoters of the Issuer:

S.no	Details of Promoter	Description
1.	Name of promoter	SHRIRAM FINANCE LIMITED
2.	Date of Birth/Date of Incorporation	June 30, 1979
3.	Age	N.A.
4.	Personal Addresses/Registered Address	Sri Towers, Plot No. 14A, South Phase, Industrial Estate, Guindy, Chennai TN 600032 IN.
5.	Education Qualifications	Not applicable
6.	Experience in the business or employment	Not applicable
7.	Positions/posts held in the past by the promoter	Not applicable
8.	Directorships held by the promoter	Not applicable
9.	Other ventures of the promoter	Not applicable
10.	Special achievements	Not applicable
11.	Business and financial activities of the promoter	Shriram Finance Limited is the country's biggest retail NBFC offering credit solutions for commercial vehicles, two-wheeler loans, car loans, home loans, gold loans, personal and small business loans, and a large fixed deposit franchise Pan-India. The Issuer has over 7.32 million customers and has an Asset Under Management (AUM) of over INR 1.85 trillion. Shriram Finance Limited has branches, rural centres and outlets in 3,600+ locations and an employee strength of over 64,000 across India as of March 31, 2023

12.	Logo	SHRIRAM Finance
13.	Permanent Accountant Number	AAACS7018R
14.	Other Details	Email: balasundar@shriramfinance.in Telephone Number: 022-40959595

Declaration
The Issuer confirms that the Permanent Account Number, Aadhaar Number (if applicable), Driving License Number (if applicable), Bank Account Number(s) (if applicable) and Passport Number (if applicable) of the promoters and Permanent Account Number of directors will be submitted to the stock exchanges on which the Debentures under each Series are proposed to be listed, at the time of filing the Tranche Placement Memorandum.

5.3 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	Name: Beacon Trusteeship Limited Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East, Mumbai – 400051. Logo: BEACON TRUSTEESHIP Telephone Number: 022-26558759 Email address: contact@beacontrustee.co.in Contact person: Mr. Kaustubh Kulkarni
2.	Credit Rating Agency for the Issue	Name: CRISIL RATINGS LIMITED Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076. Logo: CRISIL Ratings Telephone Number: +91 22 3342 3000 Email address: ajit.velonie@crisil.com Contact person: +91 22 4097 8209 Name: CARE RATINGS LIMITED Address: :4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Logo: CareEdge Ratings • Advisory • Research • Risk Solutions Telephone Number: +91-22-6754 3456 Email address: care@careedge.in Contact person: Mr. Ravi Shankar
3.	Registrar to the Issue	Name: INTEGRATED REGISTERY MANAGEMENT SERVICES PRIVATE LIMITED Logo: Integrated Corporate Solutions Simplified Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna St., North Usman Road, T Nagar, Chennai- 600 0017 Website: www.integratedindia.in Email address: anusha@integratedindia.in Telephone Number: 044 - 28140801 to 28140803 Contact Person: Anusha N, Deputy General Manager
4.	Statutory Auditors	Name: T. R. CHADHA & CO. LLP Chartered Accountants Address: B-30, Connaught Place, Kuthiala Building, New Delhi – 110001 Logo: CA Website: https://trchadha.com/ Email address: mumbai@trchadha.com Telephone Number: +91-22-49669000 Contact Person: Mr. Kshitij Grover

5.	Legal Counsel	Name: ZBA Logo: ADVOCATES & SOLICITORS Address: 412 Raheja Chambers, 213 Nariman Point, Mumbai 400 021 Website: www.zba.co.in Email address: mail@zba.co.in Telephone Number: (+ 91 22) 6743 5013 Contact Person: Mrs. Niloufer Lam
6.	Guarantor	Not applicable.
7.	Arrangers	As set out in the relevant Tranche Placement Memorandum.

5.4 About the Issuer: A brief summary of business / activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least the following information:

(a) **Overview of the business of the Issuer**

The Issuer was incorporated to provide longer tenured home loan, loan against property and construction finance loans products to Shriram Group of customers as well as other customers and use this entity as means of cross-selling other products within the Shriram Group. Currently, the Issuer is engaged in the business of providing loans for construction, repair, renovation, purchase of residential property, loans against property and construction finance. Until now, the Issuer has predominantly catered to self-employed borrowers and informed salaried customers in tier II and tier III cities and the focus has been on lower income segment with an average ticket size of around INR 17 lakh. In the last four years until Financial Year 2023, the Issuer's AUM have grown at a CAGR of 44% from FY 2019-20 to FY 2022-23 to reach INR 8,047 Crore as on March 31, 2023.

Branch details:

As of the date of this Shelf Placement Memorandum, the Issuer has 134 branches across 18 states.

Subsidiary details:

As of the date of this Shelf Placement Memorandum, the Issuer does not have any subsidiaries.

(b) **Corporate Structure of the Issuer:**

The graphic description/organogram of the corporate structure of the Issuer is as follows:

(c) **Project cost and means of financing, in case of funding of new projects**

Not Applicable

5.5 Key operational and financial parameters for the last 3 (three) audited years on a consolidated basis (wherever available) else on a standalone basis:

(INR in Crores)

Particulars	Year ended 31.03.23	Year ended 31.03.22	Year ended 31.03.21
	(Audited)	(Audited)	(Audited)
Balance Sheet			
Net Fixed assets	14.56	8.50	8.43
Current assets	2,144.93	1,510.61	1,159.61
Non-current assets	5597.74	3,657.73	2,673.15
Total assets	7,742.67	5,168.34	3,832.76
Non-Current Liabilities (including maturities of long-term borrowings and short term borrowings)			
Financial (borrowings, trade payables, and other financial liabilities)	4,876.99	2,740.18	2,300.40
Provisions	0.98	0.50	0.98
Deferred tax liabilities (net)	27.60	29.73	25.37
Other non-current liabilities	35.48	14.06	5.56
Current Liabilities (including maturities of long-term borrowings)			
Financial (borrowings, trade payables, and other financial liabilities)	1,438.30	1,156.49	880.43
Provisions	2.04	2.62	1.19
Deferred tax liabilities (net)	(0.14)	2.13	-
Current tax liabilities (net)	-	-	-
Other current liabilities	62.23	65.04	42.36
Equity (equity and other equity)	1,299.19	1,157.59	576.47
Total equity and liabilities	**7,742.67**	**5,168.34**	**3,832.76**
Profit and Loss			
Total revenue from operations	792.59	548.27	419.13
Other income	1.03	0.90	3.21
Total Expenses	623.66	440.03	338.10
Total comprehensive income	137.35	80.49	62.41
Profit / loss (before tax)	169.96	109.14	84.24
Other comprehensive income	(0.40)	0.14	0.02
Profit / loss after tax	137.75	80.34	62.38
Earnings per equity share: (a) basic; and (b) diluted:			
Continuing operations	4.23/ 4.22	2.82/2.81	2.91/2.90
Discontinued operations		-	-
Total Continuing and discontinued operations	4.23/ 4.22	2.82/2.81	2.91/2.90
Cash Flow			
Net cash generated from operating activities	(1,792.75)	(1,085.27)	(1,384.72)
Net cash used in / generated from investing activities	(2.78)	(186.39)	60.77
Net cash used in financing activities	2,171.30	1,222.29	1,276.37
Cash and cash equivalents	51.77	(49.36)	(47.58)
Balance as per statement of cash flows	427.54	51.77	101.13
Additional Information			
Net worth	1299.19	1,157.59	576.47
Cash and Cash Equivalents and Other bank Balances	489.54	229.55	145.15
Current Investments	152.45	75.10	51.37
Assets Under Management	8046.60	5,355.01	3,929.45
Off Balance Sheet Assets			
Total Debts to Total assets	81.32%	75.39%	82.99%
Debt Service Coverage Ratios	0.24%	0.22	0.41
Interest Income	670.92	464.31	323.35
Interest Expense	392.28	280.6	208.34
Interest service coverage ratio	1.43%	1.39	1.4
Provisioning & Write-offs	9.89	10.8	20.13
Bad debts to Account receivable ratio	NA	NA	NA
Gross NPA (%)	0.93%	1.72%	1.87%
Net NPA (%)	0.69%	1.32%	1.47%
Tier I Capital Adequacy Ratio (%)	23.34%	29.87%	22.08%
Tier II Capital Adequacy Ratio (%)	2.14 %	1.02%	0.95%

5.6 Debt: Equity Ratio of the Issuer:

Before the issue	As set out in the relevant Tranche Placement Memorandum
After the issue	As set out in the relevant Tranche Placement Memorandum

5.7 Details of any other contingent liabilities of the Issuer based on the last audited financial statements including amount and nature of liability as on March 31, 2023:

NIL.

5.8 A brief history of Issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as on year ended, i.e., March 31, 2023:

Share Capital	Amount (in Rupees)
Authorized Share Capital	
40,00,00,000 equity shares of INR 10/- each	400,00,00,000
Total	**400,00,00,000**
Issued , Subscribed and Paid-up Share Capital	
32,60,46,112 equity shares of INR 10/- each	326,04,61,120
Total	**326,04,61,120**
Share Premium Account	
Before the offer (as on March 31, 2023)*	5,09,84,19,910
After the offer*	As set out in the relevant Tranche Placement Memorandum

**Note: Details are as on March 31, 2023, as the Shelf Issue is in respect of Debentures, there will be no change in the share premium account subsequent to each Tranche Issue of Debentures. The Issuer will update the relevant Tranche Placement Memorandum for changes, if any, in the share premium account as on the issue opening date of the relevant Tranche Issue.*

(b) Changes in its capital structure as on year ended i.e., March 31, 2023 for the last three years:

Date of change (dd/mm/yyy)	Number of Equity Shares	Face Value (INR)	Cumulative Amount (INR)	Particulars
09.11.2010 (Incorporation)	20,00,000	10/-	2,00,00,000	Equity
15.12.2010 (EGM)	5,00,000	10/-	2,50,00,000	Equity
18.05.2011 (EGM)	10,00,000	10/-	3,50,00,000	Equity
24.08.2011 (EGM)	15,00,000	10/-	5,00,00,000	Equity
11.01.2012 (EGM)	50,00,000	10/-	10,00,00,000	Equity
16.02.2012 (EGM)	50,00,000	10/-	15,00,00,000	Equity
26.03.2012 (EGM)	10,00,00,000	10/-	115,00,00,000	Equity
12.07.2013 (AGM)	10,50,00,000	10/-	220,00,00,000	Equity
08.04.2021 (EGM)	70,00,00,000	10/-	290,00,00,000	Equity
04.10.2021 (EGM)	110,00,00,000	10/-	400,00,00,000	Equity
30.08.2022	25,000	10/-	250000	Equity
31.12.2022	6,00,000	10/-	60,00,000	Equity
31.01.2023	1,50,000	10/-	15,00,000	Equity

(c) Equity Share Capital History of the Issuer, for the last three years:

Cumulative Paid Up Capital									Remarks
Date of Allotment	No. of Equity Shares	Face Value (in INR)	Issue Price (in INR)	Consideration (Cash, other than cash etc.)	Nature of Allotment	No of Equity Shares	Equity Share Capital (INR in Crore)	Equity Share Premium (INR In Crore)	
14.05.2021	44444445	10	45	Cash	Rights Issue	258604445	2586044450	1555555575	NA
13.10.2021	66666667	10	45	Cash	Rights Issue	325271112	325271120	2333333345	NA
30.08.2022	25000	10	10	Cash	ESOP	25000	250000	0	NA
31.12.2022	600000	10	10	Cash	ESOP	600000	6000000	0	NA
31.01.2023	150000	10	10	Cash	ESOP	150000	1500000	0	NA
30.04.2023	6667	10	35	Cash	ESOP	6667	66670	166675	NA

5.9 Details of any Acquisition or Amalgamation with any entity in the last 1 (one) year:

There have not been any acquisition or amalgamation in the last 1 (one) year.

5.10 Details of any Reorganization or Reconstruction in the last 1 (one) year:

There has been no reorganization or reconstruction in the last 1 (one) year.

5.11 Details of the shareholding of the Issuer as on the year ended, i.e., March 31, 2023:

(a) **Shareholding pattern of the Issuer as on year ended, i.e. March 31, 2023 as per the format specified under the listing regulations:**

Sr. No.	Name of the Equity Shareholder / Particulars	Class	Total Number of Equity Shares	Total percentage (%) of Shareholding	Number of shares held in Demat Form
1	Shriram Finance Limited**	Equity	27,65,51,112	84.82%	27,65,51,112
2	Valiant Mauritius Partners FDI Limited	Equity	4,87,20,000	14.94%	-
3	Srinivasa Rao***	Equity	25,000	0.00%	25000
4	Subramanian Jambunathan***	Equity	7,50,000	0.18%	7,50,000
	Total		**32,60,46,112**	**100.00%**	

**Includes 6 nominees of the Promoter, who hold 1 equity share each.*
***On October 13, 2021, pursuant to the rights issue, an amount of INR 300 Crore was infused as equity by Shriram City Union Finance Limited in the Issuer. Subsequently, the shareholding of the Promoter as on the date of this Shelf Placement Memorandum, is 85.02% of the total equity share capital of the Issuer.*
***With effect from November 25, 2022, Shriram City Union Finance Limited has been merged with Shriram Finance Limited. Subsequent to which, Shriram Finance Limited will be our holding company effective from the inter-se transfer of shares.*
****On August 08, 2022, December 31, 2022, and January 31, 2023 pursuant to the allotment under ESOP Scheme, identified employees of the Issuer have been allotted with 25000 and 750000 equity shares of the Issuer respectively.*

Notes: Details of shares pledged or encumbered by the Promoters (if any): None.

(b) **List of top 10 holders of equity shares of the Issuer as on the year ended, i.e. March 31, 2023:**

Sr. No.	Name of the Shareholder / Particulars	Total Number of equity shares	Percentage of Total Shareholding (%)	Number of shares held in Demat Form
1.	Shriram Finance Ltd.**	27,65,51,112	84.82%	27,65,51,112
2.	Valiant Mauritius Partners FDI Ltd.	4,87,20,000	14.94%	-
3.	Identified Employees of the Issuer	7,75,000	0.24%	7,75,000
		32,60,46,112	100%	

***Includes 6 nominees of the Promoter, who hold 1 equity share each.*

5.12 Following details regarding the directors of the Issuer:

(a) **Details of the current directors of the Issuer:**

This table sets out the details regarding the Issuer's Board of Directors as on date of this Shelf Placement Memorandum:

Sl.	Name of the Directors, Designation, DIN, Occupation	Age	Address	Date of Appointment or Reappointment	Details of other directorships	Whether willful defaulter (Yes/No)
1	Mr. Srinivasa Chakravarti Yalamati Non-Executive, Non Independent Director DIN – 00052308 Service	58	Plot No. 302 Heritage Banjara Apartment Road No.3, Panchavati Society, Banjara Hills, Hyderabad – 500 034	9/11/2010	1. Shriram Finance Limited 2. Shriram Chits (India) Private Limited	No.

2	Mr. Venkataraman Murali Non-Executive, Independent Director DIN – 00730218 Professional	62	Commanders Court CCC034 C Block Flat 034 49, Ethiraj Salai, Egmore, Chennai 600 008	17/07/2013	1. Witzenmann (India) Private Limited 2. Witzenmann (India) Private Limited 3. Andhra Chamber of Commerce	No.
3	Mr. Subramanian Jambunathan Managing Director and CEO DIN – 00969478 Service	52	A/204, Sky Lark Condominium, New Kantwadi Pali Hill, Bandra (W), Mumbai - 400 050	20/07/2018	1. Southern Equipment Finance Limited 2. K. P. I. Teleservices Pvt. Ltd.K. P. I. Teleservices Pvt. Ltd.	No.
4	Ms. Lakshminarayanan Priyadarshini Non-Executive Independent Director DIN – 06592671 Professional	47	House No. 33, First Floor Paschimi Marg Vasant Vihar South West Delhi 110057	16/10/2018	1. Spectrum Solusys Private Limited 2. UCAL Fuel Systems Limited	No.

(b) **Details of change in directors since last three years:**

There has not been any change in the Directors for the last three years from the date of this Shelf Placement Memorandum.

5.13 Following details regarding the auditors of the Issuer:

(a) **Details of the auditor of the Issuer:**

Name of the Auditor	Address	Auditor since
T. R. Chadha & Co. LLP Chartered Accountants	B-30, Connaught Place, Kuthiala Building, New Delhi – 110001	20 August 2021

(b) **Details of change in auditors since last three years:**

Name of the Auditor	Address	Date of Appointment / Resignation	Date of cessation, if applicable	Date of resignation, if applicable
T. R. Chadha & Co. LLP Chartered Accountants	B-30, Connaught Place, Kuthiala Building, New Delhi – 110001J	July 26, 2021	-	Appointment
M/s. Pijush Gupta & Co., Chartered Accountant	P-199, C.I.T. Road, Scheme IV- M, Kolkata – 700 010	August 20, 2021	July 25, 2011	Resigned

5.14 Details of the following liabilities of the issuer, as at the year ended, i.e. March 31, 2023, or if available, a later date:

(a) **Details of Outstanding Secured Loan Facilities (as on March 31, 2023)**:

Name of the Lender	Type of Facility	Amount Sanctioned (in INR Crore)	Principal Amount Outstanding (in INR Crore)	Repayment date/ Schedule	Security
Aditya Birla Finance Limited	Term Loan	30.00	21.43	31-Mar-28	Exclusive charge on receivables

Axis Bank	Term Loan	100.00	85.00	15-Jul-27	Exclusive charge on receivables
Axis Bank	Term Loan	300.00	150.00	23-Feb-28	Exclusive charge on receivables
Bajaj Finance Limited	Term Loan	75.00	73.75	27-Jan-28	Exclusive charge on receivables
Bandhan Bank	Term Loan	150.00	136.36	30-Jul-25	Exclusive charge on receivables
Bank of Baroda	Term Loan	50.00	12.45	28-Jun-23	Exclusive charge on receivables
Bank of Baroda	Term Loan	200.00	162.46	31-May-27	Exclusive charge on receivables
Bank of Baroda	Term Loan	100.00	100.00	31-Mar-28	Exclusive charge on receivables
Bank of India	Term Loan	100.00	33.10	30-Sep-24	Exclusive charge on receivables
Bank of India	Term Loan	250.00	124.92	30-Jun-25	Exclusive charge on receivables
Bank of Maharashtra	Term Loan	250.00	187.50	31-Dec-25	Exclusive charge on receivables
Bank of Maharashtra	Term Loan	250.00	250.00	23-Feb-28	Exclusive charge on receivables
Canara Bank	Term Loan	150.00	60.00	28-Feb-25	Exclusive charge on receivables
Canara Bank	Term Loan	200.00	133.34	20-Mar-26	Exclusive charge on receivables
Canara Bank	Term Loan	75.00	75.00	14-Dec-27	Exclusive charge on receivables
Central Bank of India	Term Loan	100.00	61.13	31-Dec-25	Exclusive charge on receivables
CSB Bank	Term Loan	50.00	14.91	29-Sep-24	Exclusive charge on receivables
CSB Bank	Term Loan	100.00	100.00	31-Mar-28	Exclusive charge on receivables
Federal Bank	Term Loan	40.00	24.00	23-Feb-26	Exclusive charge on receivables
Federal bank	Term Loan	50.00	42.50	13-May-27	Exclusive charge on receivables
Federal bank	Term Loan	50.00	42.50	28-Jun-27	Exclusive charge on receivables
Federal bank	Term Loan	75.00	71.24	14-Dec-27	Exclusive charge on receivables
HDFC Bank	Term Loan	100.00	58.32	24-Feb-26	Exclusive charge on receivables
HDFC Bank	Term Loan	100.00	65.82	29-Jun-26	Exclusive charge on receivables
HDFC Bank	Term Loan	100.00	79.99	29-Mar-27	Exclusive charge on receivables
IDBI Bank	Term Loan	100.00	94.44	30-Jun-27	Exclusive charge on receivables
IDBI Bank	Term Loan	65.00	46.75	28-Sep-26	Exclusive charge on receivables
Indian Bank	Term Loan	200.00	174.98	28-Sep-26	Exclusive charge on receivables
Indian Bank	Term Loan	300.00	300.00	21-Dec-27	Exclusive charge on receivables
Karur Vysya Bank	Term Loan	50.00	46.87	23-Dec-26	Exclusive charge on receivables
LIC Housing Finance Limited	Term Loan	150.00	37.68	1-Dec-30	Exclusive charge on receivables
National Housing Bank	Refinance	130.00	35.02	1-Jan-23	Exclusive charge on receivables
National Housing Bank	Refinance	500.00	376.35	1-Jul-31	Exclusive charge on receivables
National Housing Bank	Refinance	150.00	140.58	1-Jul-32	Exclusive charge on receivables
Punjab & Sind Bank	Term Loan	200.00	133.30	30-Mar-26	Exclusive charge on receivables
Punjab National Bank	Term Loan	100.00	50.00	25-Feb-25	Exclusive charge on receivables
Punjab National Bank	Term Loan	400.00	377.70	29-Jun-27	Exclusive charge on receivables
Punjab National Bank	Term Loan	400.00	200.00	29-Mar-28	Exclusive charge on receivables
Qatar National Bank	Term Loan	20.00	14.00	20-Jul-26	Exclusive charge on receivables
Shinhan Bank	Term Loan	30.00	30.00	17-Mar-27	Exclusive charge on receivables
South Indian Bank	Term Loan	50.00	43.75	31-Aug-26	Exclusive charge on receivables
UCO Bank	Term Loan	100.00	49.96	30-Sep-25	Exclusive charge on receivables
UCO Bank	Term Loan	100.00	74.98	30-Dec-26	Exclusive charge on receivables
Ujjivan Small Finance Bank	Term Loan	25.00	10.95	31-Dec-24	Exclusive charge on receivables
Union Bank Of India	Term Loan	100.00	25.00	29-May-23	Exclusive charge on receivables
Union Bank Of India	Term Loan	75.00	47.36	16-Mar-26	Exclusive charge on receivables
Union Bank Of India	Term Loan	100.00	77.76	31-Dec-26	Exclusive charge on receivables
Yes Bank	Term Loan	50.00	48.96	27-Feb-27	Exclusive charge on receivables
Axis Bank	Working Capital	50.00	-	NA	Exclusive charge on receivables
HDFC Bank	Working Capital	55.00	-	NA	Exclusive charge on receivables
Federal Bank	Working Capital	10.00	-	NA	Exclusive charge on receivables
IDBI Bank	Working Capital	10.00	-	NA	Exclusive charge on receivables
Bank of Baroda	Working Capital	5.00	-	NA	Exclusive charge on receivables
Indian Bank	Working Capital	50.00	-	NA	Exclusive charge on receivables
Bandhan Bank	Working Capital	1.00	-	NA	Exclusive charge on receivables

**Note: The numbers are in accordance with I GAAP.*

(b) **Details of Outstanding Unsecured Loan Facilities (as on March 31, 2023)**:

NIL.

(c) **Details of Outstanding Non-Convertible Securities (as on March 31, 2023)**:

Series of NCD	Tenor/ Period of Maturity	Coupon	Amount (INR in Crore)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
Series 1	10 years	10.30%	40.00	10-Oct-14	10-Oct-24	CARE AA+ / Stable	Secured	1.1
Series 7	7 years	9.00%	25.00	29-Apr-16	29-Apr-23	CARE AA+ / Stable and IND AA+ / Stable	Secured	1.0
Series 7	7 years	9.00%	15.00	02-May-16	02-May-23	CARE AA+ / Stable and IND AA+ / Stable	Secured	1.0
Series XII	4 years	10.85%	25.00	09-May-19	09-May-23	CARE AA+ / Stable and CRISIL AA+ / Stable	Unsecured	-
Series XIII	3 years	8.55%	40.00	05-Jun-20	05-Jun-23	CARE AA+ / Stable and CRISIL AA+ / Stable	Secured	1.1

Series XVI	10 years	9.60%	17.00	11-Dec-20	11-Dec-30	IND AA+ / Stable and CRISIL AA+ / Stable	Secured	1.0
Series XVII	10 years	9.42%	21.00	15-Jan-21	15-Jan-31	IND AA+ / Stable and CRISIL AA+ / Stable	Secured	1.0
Series XVIII	10 years	9.32%	10.00	03-May-21	02-May-31	IND AA+ / Stable and CRISIL AA+ / Stable	Secured	1.0
Series XIX	19 months	10.85%	100.00	30-Nov-21	30-Jun-23	IND AA+ / Stable	Secured	1.1
Series XX	36 months	10.62%	100.00	04-Mar-22	04-Mar-25	IND AA+ / Stable	Secured	1.1
Series 21	3 Years	8.25%	100.00	22-Jul-22	22-Jul-25	IND AA+ / Stable	Secured	1.1
Series 22	4 Years	8.85%	50.74	10-Aug-22	09-Aug-26	CARE AA+ / Stable	Secured	1.1
Series 23	2 Years	8.10%	200.00	22-Aug-22	22-Aug-24	CRISIL PPMLD AA+ r/ Stable	Secured	1.0
Series 24	15 Years	8.60%	35.00	30-Sep-22	30-Sep-37	CARE AA+ / Stable and IND AA+ / Stable	Unsecured	-
Series 26	2 years 9 months 27 days	9.07%	80.00	13-Dec-22	10-Oct-25	IND AA+ / Stable	Secured	1.1
Series 27	3 years	8.95%	50.00	28-Dec-22	26-Dec-25	CARE AA+ / Stable and CRISIL AA+ / Stable	Secured	1.1
Series 28	10 Years	9.09%	240.00	09-Feb-23	09-Feb-33	IND AA+ / Stable and CRISIL AA+ / Stable	Secured	1.1
Series 1	10 Years	9.10%	70.00	01-Mar-23	01-Mar-33	CARE AA+ / Stable and CRISIL AA+ / Stable	Unsecured	-
Series 30	3 years	8.95%	75.00	14-Mar-23	13-Mar-26	CARE AA+ / Stable and IND AA+ / Stable	Secured	1.0
Total			**1293.74**					

5.15 List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

Sr No	Name of holder of non-convertible securities	Amount (INR Crore)	% of total non-convertible securities outstanding
1	LIFE INSURANCE CORPORATION OF INDIA	220.00	17.00%
2	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA CREDIT RISK FUND	165.00	12.75%
3	THE SOUTH INDIAN BANK LTD	100.00	7.73%
4	BARODA BNP PARIBAS BALANCED ADVANTAGE FUND	75.00	5.80%
5	Sporta Technologies Private Limited	75.00	5.80%
6	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SAVINGS FUND	60.60	4.68%
7	KOTAK MAHINDRA BANK LIMITED	50.75	3.92%
8	CANARA BANK	50.00	3.86%
9	IOCL EMPLOYEES PRMB FUND	38.00	2.94%
10	HPGCL EMPLOYEES PENSION FUND TRUST	35.00	2.71%

5.16 Details of outstanding Commercial Paper as at the year ended (as on March 31, 2023) in the following format:

Tenor/ Period of Maturity	Coupon	Amount (INR in Crore)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured
287 days	8.20%	20	16-01-2023	30-10-2023	CARE A1+	Unsecured

5.17 Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):

The Issuer does not have any other kind of borrowing (including hybrid debt like FCCB, optionally convertible debentures or preference shares) as on March 31, 2023.

5.18 Details of any outstanding borrowing taken / debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not

The Issuer does not have any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option, as on March 31, 2023.

5.19 Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

A. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC including details regarding the following

(a) **Lending Policy: Should contain overview of origination, risk management, monitoring and collections:**

The Issuer focuses on building a quality loan book with demonstrated ability to underwrite a diverse set of customers and has a decentralised credit function with multiple checkpoints to achieve controlled growth.

Lending policy:

The Issuer being in the business of lending, credit risk becomes one of the most important risks to be managed. A detailed credit policy has been designed by the Issuer for each product type and customer segment. The core objective of the policy is to provide a framework for efficient lending process and ensure customer satisfaction, risk mitigation, and regulatory compliance.

The approach of the Issuer towards doing KYC, due diligence, credit assessment, credit decision and collateral check is mentioned below.

Sourcing:

The Issuer may adopt any of the following channels for sourcing business:

- Direct Branch Walk-in sourcing
- Direct Sales Agencies (DSA)
- Direct Sales Team (DST)
- Connectors
- Alternate channels
- Media Campaigns (Print, TV, Digital and as deemed fit by the marketing team)
- Branches/subsidiaries/representative offices of Shriram Group as per arrangement that may exist from time to time.

Loan Origination:

The Issuer has its footprint in 18 states with loans originating through more than 134 sourcing branches across India. Potential customers are identified by a 'Sales Manager'. Once a potential customer is identified, the Sales Manager will collect the documents as detailed in the customer onboarding checklist. The documents along with the duly filled application form will be submitted for credit appraisal.

Loan Appraisal:

After the application for loan is received and logged in the system for credit appraisal, the process outlined below is followed by the Credit Manager:

- Completeness check for the credit file
- Verification of KYC documents and other relevant documents
- Checks bureau and verification reports (field investigation, risk containment unit verification etc.)

- The customer's loan eligibility is computed, if all the checks are positive based on the Issuer's internal credit policy
- Evaluates the customer's cash flow, financials and business as per the Issuer's internal credit policy
- Credit Manager has a personal discussion at the main business premise or place of employment
- Post personal discussion comfort a credit appraisal memo (CAM) is prepared (CAM contains financial information about applicant and his loan eligibility computation)
- Legal and technical assessments are also initiated for title search and valuation of the property though internal / external empanelled legal and technical vendors
- If all the checks are positive, a final decision is taken by Credit Approver as per approving matrix and deviation matrix

Regulatory Compliance

KYC documents of all customers are received and verified from original prior to the disbursement of the loan, in compliance with the NHB and RBI guidelines. The Issuer ensures compliance with any other regulations/directions as may be notified by the NHB, RBI and other statutory authorities.

Risk Management

The Issuer places significant emphasis on the adequacy of management of risk and has put in place a risk management policy in a manner that the risks that the Issuer faces are identified and dealt / controlled in a manner that the Issuer can continue its operations in a profitable and sustainable manner.

Collateral management

Collateral is the asset or rights provided to the Issuer by the borrower to secure the credit facility. The Issuer ensures that the underlying documentation for the collateral provides the Issuer appropriate rights over the collateral or other forms of credit enhancement including the right to liquidate retain or take legal possession of it in a timely manner in the event of default by the borrower. The collateral is valued at the time of sanctioning the credit facility and loan-to-value (LTV) norms are applied as specified in the credit policies.

Collection and Recovery

The Issuer has a dedicated collection function and the framework is designed to minimize the losses through an orderly and coordinated collection approach.

The Issuer has put in place a collection strategies which includes:

- High focus on customer counselling through digital platform to pay/regularize
- Strong audit mechanism along with a maker-checker in various collection processes
- Structured and transparent approach to collections
- Internal monitoring and MIS to control flows
- Legal approach for applicable cases.

(b) **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.:**

Detailed in Chapter C of the Shelf Placement Memorandum

(c) **Classification of loans according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:**

Please refer to paragraph (J) below of this table below.

(d) **Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;**

Concentration of Advances as on March 31, 2023	Amount
Total advances to top twenty borrowers (INR in Crores)	284.85
Percentage of advances to twenty largest borrowers to total exposure of the Issuer on borrowers	4.26%

Concentration of Exposures as on March 31, 2023	Amount
Total exposure to top twenty borrowers (INR in Crores)	346.53
Percentage of exposures to twenty largest borrowers to total exposure of the Issuer on borrowers	4.79%

(e) **Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations:**

Please refer to paragraph (K) of this table below

B. Details of borrowings made by NBFC

(a) **A portfolio summary with regard to industries/ sectors to which borrowings have been made:**

Please refer to paragraph (J) in this table below including sub-paragraph (c) therein.

(b) **NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer:**

Please refer to paragraph (K) of this table below.

(c) **Quantum and percentage of secured vis-à-vis unsecured borrowings made; and**

Type of Borrowings	Outstanding as at March 31, 2023 (INR) (in Crore)	%
Secured Borrowings	6,147.43	97.64%
Unsecured Borrowings	148.63	2.36%
Total	**6,296.06**	**100%**

C. **Details of change in shareholding**

(a) Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

There has been no change in the Promoters' holdings during the last Financial Year beyond the 26% (twenty six percent) threshold, as prescribed by RBI.

Shriram City Union Finance has been merged with Shriram Transport Finance Company Ltd. The merged entity is renamed as Shriram Finance Limited w.e.f., November 30, 2022. Accordingly, Shriram Finance Limited is the Promoter entity holding 84.82% equity shares in the Issuer.

D. Disclosure of Assets Under Management

(a) Segment wise breakup:

Please refer to sub-paragraph (c) of paragraph (J) in this table below.

(b) Type of Loans

Please refer to sub-paragraph (a) of paragraph (J) in this table below.

E. Details of borrowers

(a) Geographical location wise

Please refer to sub-paragraph (e) of paragraph (J) in this table below.

F. Details of Gross NPA

(a) Segment wise:

Please refer to sub-paragraph (c) of paragraph (K) in this table below.

G. Details of Assets and Liabilities

(a) Residual maturity profile wise into several bucket:

Please refer to paragraph (L) in this table below.

H. Additional details of loans made by housing finance company

Not applicable. As no format has been prescribed for this disclosure as on the date of this Shelf Placement Memorandum, all required information will be provided to the BSE and SEBI on request.

I. Disclosure of latest ALM statements to stock exchange

Please refer to the ALM statements set out in **ANNEXURE XI.**

J. Classification of loans according to

(a) Type of Loans:

Details of types of loans

Sl. No.	Types of loans	INR Crore
1	Secured	8046.6
2	Unsecured	0
	Total assets under management (AUM)^^	8046.6

** Information disclosed at borrower level (and not by loan account).^ This includes off balance sheet items of INR 1312.96 Crore*
Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^^Issuer is also required to disclose off balance sheet items;

(b) Denomination of loans outstanding by loan-to-value:

Details of LTV

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Up to 50%	44.75%
2	50-60%	17.18%
3	60-70%	17.14%
4	Above 70%	20.92%
	Total	**100%**

(c) Sector Exposure

Details of sectoral exposure

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1	**Retail**	
A	Mortgages (home loans and loans against property)	94.11%
B	Gold loans	
C	Vehicle finance	
D	MFI	
E	MSME	
F	Capital market funding (loans against shares, margin funding)	
G	Others	5.89%
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	-

C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	100%

(d) Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Up to 5L	1.46%
2	5-10L	8.17%
3	10-15L	11.58%
4	15-25L	21.00%
5	25-50L	27.14%
6	50-75L	8.83%
7	75-100L	5.49%
8	Above 100L	16.33%
	Total	**100%**

** Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)*

(e) Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Gujarat	21.28%
2	Maharashtra	20.49%
3	Tamil Nadu	15.56%
4	Karnataka	9.30%
5	Rajasthan	5.89%
	Total	72.52%

K. Details of loans, overdue and classified as non-performing assets (NPA) in accordance with RBI stipulations

(a) Movement of Gross NPA

Movement of gross NPA*	INR Crore
Opening gross NPA	78.80
- Additions during the year as on March 31, 2023	57.77
- Reductions during the year as on March 31, 2023	(74.12)
Closing balance of gross NPA	62.45

**Please indicate the gross NPA recognition policy (Day's Past Due): 90*

(b) Movement of provisions for NPA

Movement of provisions for NPA	INR Crore
Opening balance	18.44
- Provisions made during the year as on March 31, 2023	3.55
- Write-off/ write-back of excess provisions	(6.23)
Closing balance	15.76

(c) Segment wise gross NPA

Sl. No.	Segment-wise gross NPA	Gross NPA (%)
1	**Retail**	
A	Mortgages (home loans and loans against property)	0.93
B	Gold loans	-
C	Vehicle finance	-
D	MFI	-
E	MSME	-
F	Capital market funding (loans against shares, margin funding)	-
G	Others	-
2	**Wholesale**	
A	Infrastructure	-
B	Real estate (including builder loans)	-

C	Promoter funding	-
D	Any other sector (as applicable)	-
E	Others	-
	Total	0.93

(d) NPA exposures of the Issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer

(INR in Crore)

	Mar-21	**Mar-22**	**Mar-23**
Gross exposure	64.22	78.80	62.43
Net exposure	50.16	60.36	46.55
Provision made	14.06	18.44	15.88

L. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities

(as per Audited Financial as on March 31, 2023) INR (in Crore)

Period	Liabilities		Assets			
	Borrowings from banks*	Market borrowings	Advances	Investment	Foreign Currency Assets	Foreign Currency Liabilities
1 day to 7 days (one month)	3.65	3.65	3.65	3.65	-	-
8 days to 14 days(one month)					-	-
15 days to 30 days(one month)	0.54	0.54	0.54	0.54	-	-
Over one month to 2 months	33.17	33.17	33.17	33.17	-	-
Over 2 months up to 3 months	0.04	0.04	0.04	0.04	-	-
Over 3 months to 6 months					-	-
Over 6 months to 1 year	0.10	0.10	0.10	0.10	-	-
Over 1 year to 3 years	33.17	33.17	33.17	33.17	-	-
Over 3 to 5 years	-	-	-	-	-	-
Over 5 to 7 years	53.30	53.30	53.30	53.30	-	-
Over 7 to 10 years	46.16	46.16	46.16	46.16	-	-
Over 10 Years	66.35	66.35	66.35	66.35	-	-
Total	**4,954.74**	**1,341.32**	**6,681.35**	**256.88**		

5.20 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 years including the current financial year:

The Issuer has not defaulted and/or delayed payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past 3 (three) years including the current financial year.

5.21 Financial Information

(a) **A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the Shelf Placement Memorandum.**

The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Please refer to **ANNEXURE V** for the financial statements as on March 31, 2023, March 31, 2022 and March 31, 2021 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

N.A.

(b) **Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in the placement memorandum including risk factors.**

Please refer to **ANNEXURE V** for the financial statements for the year ended as on March 31, 2023, March 31, 2022 and March 31, 2021.

(c) **Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:**

The issue is made on the EBP platform irrespective of the issue size; and

The issue is open for subscription only to Qualified Institutional Buyers.

Not Applicable as the Issuer has been in existence for a period of more that 3 (three) years prior to the date of this Shelf Placement Memorandum.

5.22 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

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

There has not been any material event or development or change having implications on the financials or credit quality (e.g. any material regulatory proceedings against the Issuer or Promoter, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the Eligible Investor's decision to invest or continue to invest in the Debentures.

5.24 Details of default and non-payment of statutory dues.

The Issuer has not defaulted on payment of any kind of statutory dues to the GoI, state Government(s), statutory or regulatory bodies, authorities or departments.

5.25 The name(s) of the debentures trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with copy of the consent letter from the debenture trustee.

The Debenture Trustee of the proposed Debentures is Beacon Trusteeship Limited. Beacon Trusteeship Limited has given its written consent for its appointment as debenture trustee to the Issue and inclusion of its name in the form and context in which it appears in this Shelf Placement Memorandum and in all the subsequent periodical communications sent to the Debenture Holders. The consent letter from Debenture Trustee is provided in **ANNEXURE III** of this Shelf Placement Memorandum.

5.26 Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.

The Rating Agencies has assigned a rating of CRISIL Ratings AA+/Stable (pronounced as "CRISIL Double A Plus") with "Stable" outlook by CRISIL Ratings Limited and CARE Ratings AA+/Stable" (pronounced as "CARE Double A Plus") with "Stable" outlook by CARE Ratings Limited. The rating letter from the Rating Agency, the rating rationale from the Rating Agency and the detailed press release is provided in **ANNEXURE II** of this Shelf Placement Memorandum. The relevant Tranche Placement Memorandum shall contain the rating letters from the Rating Agencies which will be valid on the date of issue and listing of the relevant Tranche Issue of Debentures.

5.27 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the Placement Memorandum.

Not applicable.

5.28 Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention

(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made***

Interest and all other charges, in respect of each Tranche Issue of Debentures, shall accrue based on actual/actual day count convention in accordance with Chapter III (*Day count convention, disclosure of cash flows and other disclosures in the offer document*) of the Listed NCDs Operational Circular.

(b) ***Procedure and time schedule for allotment and issue of securities***

As set out in the relevant Tranche Placement Memorandum.

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the placement memorandum, by way of an illustration***

The cashflows emanating from the Debentures, by way of an illustration, shall be set out in the relevant Tranche Placement Memorandum, in the format as set out under **ANNEXURE VI** (*Illustration of Bond Cashflows*) of this Shelf Placement Memorandum.

5.29 Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The Issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the SEBI

The Debentures are proposed to be listed on the debt market segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Issuer has obtained the in-principle approval for the listing of the Debentures from BSE and the same is annexed in **ANNEXURE IX** hereto. The Issuer shall also be creating the recovery expense fund as per the applicable SEBI regulations with BSE.

The Debentures are not proposed to be listed on more than one stock exchange.

5.30 Other details

(a) **Creation of Debenture Redemption Reserve** ("**DRR**") – **relevant legislations and applicability**

(i) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a debenture redemption reserve in accordance with the provisions of the Companies Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

(ii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR and investment of the amounts lying therein, the Issuer shall abide by such guidelines and shall do all deeds, acts and things as may be required in accordance with Applicable Law, or as may be required.

(iii) Where applicable, the Issuer shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Issuer has transferred the required amount to the DRR at the end of each Financial Year.

(iv) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

(b) **Issue / instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines etc.)**

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, the NBFC-HFC Directions, the SEBI Listed Debentures Circulars, and the applicable guidelines and directions issued by the RBI and SEBI.

(c) **Default in payment**

The Issuer agrees to pay additional interest at 2% (Two percent) per annum over the Interest Rate in respect of the Debentures under each Series on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured or the Debenture Obligations are repaid. Such amounts shall be determined separately with reference to the abovementioned incremental rate and paid in addition to the Interest on the relevant Due Date.

(d) **Delay in listing**

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII of the Listed NCDs Operational Circular, the Issuer confirms that in the event there is any delay in listing of the Debentures under each Series beyond 3 (Three) Business Days from the date of closure of the Tranche Issue for the Debentures, the Issuer will pay to the Debenture Holders, penal interest of 1% (One percent) per annum over the Interest Rate for the period of delay from the date of closure of the Tranche Issue for the Debentures until the listing of the Debentures is completed.

(e) **Delay in allotment of Debentures**

(i) The Issuer shall ensure that the Debentures under each Series are allotted to the respective Debenture

Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

(ii) If the Issuer fails to allot the Debentures under each Series to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum from the expiry of the Allotment Period.

(f) **Tranche Issue details**

As set out in the relevant Tranche Placement Memorandum.

(g) **Application process**

The application process for each Tranche Issue is as provided in Section 8 of this Shelf Placement Memorandum.

(h) **Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any**

All disclosures under Form No. PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 have been set out in Section 10.

(i) **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project**

Not applicable.

5.31 A statement containing particulars of the dates of, and parties to all material contracts, agreements:

The following contracts, not being contracts entered into in the ordinary course of business carried on by the Issuer or entered into more than 2 (Two) years before the date of this Shelf Placement Memorandum, which are or may be deemed material, have been entered into by the Issuer.

The contracts and documents referred to hereunder be material to the Issue, may be inspected at the Registered Office of the Issuer between 10.00 am to 4.00 pm on working days.

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2	Board Resolution dated April 25, 2022 authorizing the issue of Debentures offered under the terms of this Disclosure Document read with the resolution dated May 08, 2023 of the banking and finance committee of the board of directors of the Issuer.
3	Resolution of the banking and finance committee of the board of directors of the Issuer authorizing the issue of Debentures under the relevant Series offered under this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum.
4	Shareholders Resolution dated June 7, 2022 authorizing the issue of non-convertible debentures by the Issuer.
5	Shareholder Resolution dated June 7, 2022 authorizing the borrowing by the Issuer.
6	Copies of Annual Reports of the Issuer for the last three financial years.
7	Credit rating letter from the Rating Agency along with detailed press release.
8	Letter from Beacon Trusteeship Limited dated May 15, 2023 giving its consent to act as Debenture Trustee.
9	Letter for Register and Transfer Agent.
10	Certified true copy of the certificate of incorporation of the Issuer.
11	Certified true copy of the tripartite agreement between the Issuer, the Registrar & Transfer Agent and the NSDL/CDSL.

12	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.
13	Master Debenture Trustee Agreement to be executed by the Issuer and the Debenture Trustee and each Supplement to the Master Debenture Trustee Agreement.
14	Master Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.
15	Each Supplement to the Master Debenture Trust Deed to be executed by the Issuer and the Debenture Trustee.

5.32 Details of Debt Securities Sought to be Issued

The Issuer intends to raise Debentures under multiple Series, by way of issue of listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, on a private placement basis, aggregating up to the Shelf Limit.

For further details of the Debentures, please refer to the Terms & Conditions set out in Section 5.35 (*Tranche Issue Details*) of this Shelf Placement Memorandum, as modified by the relevant Tranche Placement Memorandum.

5.33 Issue Size

The Shelf Limit is INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).

5.34 Utilization of the Issue Proceeds

As set out in the relevant Tranche Placement Memorandum.

5.35 Tranche Issue Details

Security Name (Name of the non-convertible securities which includes (Coupon / dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	As set out in the relevant Tranche Placement Memorandum.
Issuer / Company	Shriram Housing Finance Limited
Type of Instrument	Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital
Nature of Instrument	Unsecured
Seniority	Subordinated
Mode of Issue	Private Placement
Eligible Investors	1. Qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which comprises of the following investors: • a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; • foreign portfolio investor other than individuals, corporate bodies and family offices; • a public financial institution; • a scheduled commercial bank; • a multilateral and bilateral development financial institution; • a state industrial development corporation; • an insurance company registered with the Insurance Regulatory and Development Authority of India; • a provident fund with minimum corpus of INR 25 Crore; • a pension fund with minimum corpus of INR 25 Crore; • National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • insurance funds set up and managed by army, navy or air force of the Union of India; • insurance funds set up and managed by the Department of Posts, India; and

	• systemically important NBFCs registered with RBI having a net worth of more than INR 500 Crore. 2. Non-qualified institutional buyers as mapped to the relevant Tranche Issue by the Issuer.
Details of Arrangers (if any)	As set out in the relevant Tranche Placement Memorandum.
Listing	The Debentures to be issued under the Offer Document will be applied to get listed on the debt market segment of BSE within 3 (three) trading days from the issue closing date as mentioned in the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time. Delay in Listing: In case of delay in listing of the debt securities beyond 3 working days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 3 working days from the deemed date of allotment till the listing of such debt securities to the investor.
Rating of the Instrument	As set out in the relevant Tranche Placement Memorandum.
Total Issue Size	As set out in the relevant Tranche Placement Memorandum.
Anchor Portion	As set out in the relevant Tranche Placement Memorandum.
Past Issue History	As set out in the relevant Tranche Placement Memorandum.
Base Issue and Green Shoe Option	As set out in the relevant Tranche Placement Memorandum.
Minimum Subscription	As set out in the relevant Tranche Placement Memorandum.
Option to retain oversubscription (Amount)	As set out in the relevant Tranche Placement Memorandum.
Objects of the Issue / Purpose for which there is requirement of funds and details of utilization of the proceeds	As set out in the relevant Tranche Placement Memorandum.
Details of the utilization of the Proceeds.	As set out in the relevant Tranche Placement Memorandum.
In case the Issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable
Interest/Coupon Rate	As set out in the relevant Tranche Placement Memorandum.
Step Up/Step Down Coupon Rate	As set out in the relevant Tranche Placement Memorandum.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	As set out in the relevant Tranche Placement Memorandum.
Process of Computing Coupon payment	As set out in the relevant Tranche Placement Memorandum.
Coupon Payment Frequency	As set out in the relevant Tranche Placement Memorandum.
Coupon Payment Dates	As set out in the relevant Tranche Placement Memorandum.
Coupon Type	As set out in the relevant Tranche Placement Memorandum.
Manner of Allocation	As set out in the relevant Tranche Placement Memorandum.
Principal Payment Frequency	As set out in the relevant Tranche Placement Memorandum.
Day Count Basis	Actual / Actual
Interest on Application Money	As set out in the relevant Tranche Placement Memorandum.
Default Interest Rate	(a) In case of failure by the Issuer in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Issuer shall be liable to pay further default interest which shall be calculated at 2% (Two Percent) per annum over and above the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. The default

	interest under the terms of this paragraph may be waived by the Majority Debenture Holder(s) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons as set below and does not exceed 2 (Two) Business Days from the date of such failure to pay: (i) The Due Date for such payment falls on a day which is not a Business Day. (ii) Payment infrastructure i.e. RTGS transfers, experiencing any downtime (b) Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, in case of default by the Issuer in the performance of any other covenants, including Financial Covenants as provided for in the Master Debenture Trust Deed, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. (The default interest payable in terms of this paragraph is hereinafter referred to as the "Default Interest").
Delay Penalty	In the case of a delay in the execution of Master Debenture Trust Deed or the relevant Supplement to the Master Debenture Trust Deed, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	As set out in the relevant Tranche Placement Memorandum.
Redemption Date / Maturity Date	As set out in the relevant Tranche Placement Memorandum.
NHB Approval	The approval of the NHB for redemption of the Debentures, in accordance with the RBI's circular number DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on "Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021" dated February 17, 2021 (as amended, modified or restated from time to time).
Redemption Amount	At Par, INR 1,00,000 (Rupees One Lakh) per Debenture
Redemption Premium/ Discount	As set out in the relevant Tranche Placement Memorandum.
Issue Price	INR 1,00,000 (Rupees One Lakh) per Debenture
Pay-in Amount	INR 1,00,000 (Rupees One Lakh) per Debenture
Premium/Discount at which security is issued and the effective yield as a result of such Premium /discount.	As set out in the relevant Tranche Placement Memorandum.
Put Option Date	As set out in the relevant Tranche Placement Memorandum.
Put Option Price	As set out in the relevant Tranche Placement Memorandum.
Call Option Date	As set out in the relevant Tranche Placement Memorandum.
Call Option Price	As set out in the relevant Tranche Placement Memorandum.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	As set out in the relevant Tranche Placement Memorandum.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	As set out in the relevant Tranche Placement Memorandum.
Rollover Option	As set out in the relevant Tranche Placement Memorandum.
Face Value	INR 1,00,000 (Indian Rupees One Lakh) per Debenture
Minimum Application and in multiples of thereafter	As set out in the relevant Tranche Placement Memorandum.
Issue Timing	As set out in the relevant Tranche Placement Memorandum.
Issue/ Bid Opening Date	As set out in the relevant Tranche Placement Memorandum.

Issue/ Bid Closing Date	As set out in the relevant Tranche Placement Memorandum.
Date of earliest closing of the issue, if any.	As set out in the relevant Tranche Placement Memorandum.
Pay-in Date	As set out in the relevant Tranche Placement Memorandum.
Deemed Date of Allotment	As set out in the relevant Tranche Placement Memorandum.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depository(ies)	NSDL and CDSL
Business Day	A 'working day' as defined under the SEBI Debt Listing Regulations and shall refer to a day when commercial banks are open for business in Mumbai. Explanation: For the purpose of this definition, in respect of: • Announcement of bid/issue period: 'Business Day' shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Tranche Placement Memorandum are open for business; • Time period between the Tranche Issue Closing Date and the listing of the Debentures on the Stock Exchange: 'Business Day' shall mean all trading days of the Stock Exchange for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the SEBI.
Business Day Convention	If any Coupon Payment Date fall on a day, that is not a Business Day, the payment may be made on the following Business Day. If any principal payment date falls on a holiday, Principal will be payable on the previous Business Day. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same. The Business day convention will be in accordance with the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time
Disclosure of Interest/Dividend / redemption dates	Please see the section on **'Coupon Rate'** and **'Redemption Date'** above.
Record Date	7 Calendar Days prior to the relevant event. (In case the date falls on a date which is not a Business Day as per SEBI convention, then the date prior to the date will be considered for Record Date)
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/Shelf Placement Memorandum.	Not Applicable
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per Latest SEBI Guidelines / Companies Act 2013 (as applicable) for issuance of Debentures through Private Placement: (a) the trustee consent letter;

	(b) the Master Debenture Trust Deed; (c) the Master Debenture Trustee Agreement; (d) each Supplement to the Master Debenture Trustee Agreement; (e) each Supplement to the Master Debenture Trust Deed; (f) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.
Disclosure Documents	1. Shelf Placement Memorandum; 2. The relevant Tranche Placement Memorandum 3. The relevant Private Placement Offer Letter (Form PAS 4).
Conditions Precedent to Disbursement	The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Deemed Date of Allotment on a several basis for each Series of Debentures: (a) The Company shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013 and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; (b) The Company shall have obtained the governmental and issued the corporate authorizations (including board / committee resolution permitting the issuance of the Debentures and the listing of the Debentures), as applicable. (c) Execution by the Company of the Master Debenture Trustee Agreement, Supplement to the Master Debenture Trustee Agreement, the Master Debenture Trust Deed and Supplement to the Master Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (d) The Company shall have submitted to the Debenture Trustee, the rating letters from the Rating Agencies within a minimum credit rating of "AA+" with Stable outlook; (e) The Company shall have submitted to the Debenture Holders or the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements; (f) The Company shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the certificate of incorporation; (g) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or audited financial half-year. (h) The Company shall have provided a certificate to the Debenture Trustee, (including board resolution permitting issuer for listing of securities), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the Issuer to be exceeded. (i) The Company shall have obtained the consent letter from the Debenture Trustee; (j) The Company shall provide such other undertaking as may be required by the Debenture Holder(s); (k) The Company shall ensure that all necessary approvals have been obtained for the Issue. (l) The Company shall have submitted due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI Debt Listing Regulations; and (m) The Company shall have submitted any other documents that may be requested by the Debenture Trustee and/or the Debenture Holders;

	(n) Any other as defined in the Master Debenture Trust Deed and/or the Supplement to the Master Debenture Trust Deed.
Conditions Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Master Debenture Trust Deed on a several basis for each Series of Debentures: (a) On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; (b) Within 2 (Two) Business Days from the Deemed Date of Allotment, the Company shall ensure credit of dematerialised account(s) of the allottee(s) of the Debentures with the number of Debentures allotted; (c) Within 3 (Three) Business Days from the date of closing of the Issue, the Company shall list the Debentures on the BSE and obtain the listing approval from the BSE; (d) The Company shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures; (e) Any other as defined in the Master Debenture Trust Deed and/or the Supplement to the Master Debenture Trust Deed.
Events of Default *(including manner of voting /conditions of joining Inter Creditor Agreement)*	The occurrence of any one of the following events shall constitute an "Event of Default" by the Company on a several basis for each Series of Debentures: I. Default in redemption of debentures: Default shall have occurred in the Redemption of the Debentures as and when the same shall have become due and payable. Provided that, any event of non-repayment of Redemption amount of the Debentures by the Issuer pursuant to the provisions of the HFC Master Directions (including not receipt of NHB Approval) shall not be construed to be an Event of Default. Provided further that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default. II. Default in payment of Coupon: Any default by the Company in the payment of any instalment of Coupon of the Debentures, as and when the same shall have become due and payable. Provided that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default. III. Default in performance of covenants and conditions: Default shall have occurred in the performance of any material covenants, conditions or agreements on the part of the Company other than any payment defaults under the Master Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture

	Holder(s)/Beneficial Owner(s)/ Debenture Trustee and the same is not cured within 30 (thirty) days. IV. Company ceases to carry on business: If the Company ceases with/without the consent of the Debenture Holder(s) or threatens (in writing) to cease to carry on its business or gives notice of its intention to do so. V. Inability to pay debts: If the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into insolvency or liquidation have been admitted by any competent court or a special resolution has been passed by the shareholders for winding up of the Company or for filing an application to initiate insolvency resolution process of the Company or it is certified by the statutory auditors that the liabilities of the Company exceed its assets indicating the inability of the Company to discharge its obligations under the Master Debenture Trust Deed and such default has not been set right by the Company within 30 (thirty) days of the Company receiving a notice to this effect from the Debenture Trustee. VI. Proceedings against Company: The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law, or has suffered any action taken for its reorganization, insolvency, liquidation or dissolution except an application filed by an operational creditor of the Company for initiation of corporate insolvency resolution process in respect of the Company, which has been disputed by the Company and gets dismissed within 30 (thirty) days from the commencement of such proceedings; or. A receiver or resolution professional or liquidator is appointed or allowed to be appointed in respect of all or any part of the undertaking of the Company and the appointment has not been stayed, quashed or dismissed within 30 (thirty) days from the date of such appointment. VII. Misleading Information: Any information given by the Company in the Disclosure Documents, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/Beneficial Owner(s) for availing financial assistance by way of subscription to the Debentures is or proves to be materially misleading or incorrect in any material respect or is found to be incorrect. The Company shall have the right to cure the Events of Default within the cured periods mentioned thereunder. Further, it is hereby clarified that in case the Company fails to cure any of the Events of Default above within their respective cure periods in accordance thereof, the Debenture Trustee shall seek written instructions from the Majority Debenture Holders or pass a resolution by holding a meeting or through E-voting to serve a notice to the Company to accelerate the payments due and payable for with under the Master Debenture Trust Deed (“Default Notice”). If the Company fails to make payments required to be made pursuant to the Default Notice, the Debenture Trustee may declare the same as an event of default (“Event of Default”) under the terms of the Master Debenture Trust Deed. For the purposes of Default Notice, the Debenture Trustee shall obtain consent in writing of the Debenture Holders representing not less than 3/4th in value of the outstanding amount of the Debentures for the time being outstanding, or by a special resolution duly passed at the meeting of the Debenture Holders convened in accordance with the

	provisions set out in Fourth Schedule and as per applicable regulations of the Master Debenture Trust Deed.
Consequences of breach of covenants (as specified in the Master Debenture Trust Deed)	Failure by the Company to comply with provisions of the Transaction Documents / or breach of any undertakings or covenants under the Transaction Documents, which breach, if capable of being cured, is not cured within 30 (thirty) days from the date of such breach (other than for specific Events of Default for which no cure period is prescribed under the Master Debenture Trust Deed), shall be construed as an Event of Default in accordance with the provisions of the Transaction Documents.
Financial Covenants	Tier 1 and Tier 2 Capital Adequacy Ratio to be maintained as stipulated by RBI/NHB.
Affirmative Covenants	1. To comply with corporate governance, fair practices code prescribed by RBI 2. Notification of any potential Event of Default or Event of Default; 3. Obtain, comply with and maintain all licenses / authorizations in relation to the Issue 4. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation); 5. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes; 6. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them; 7. Comply with any monitoring and/or servicing requests from Debenture Holders.
Negative Covenants	Not declaring any dividend to the shareholders in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI Debenture Trustee Operational Circular.
Provisions related to Cross Default Clause	Not applicable.
Risk Factors pertaining to the Issue	As mentioned in the Shelf Placement Memorandum under captioned “Risk Factor”.
Role and Responsibilities of Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Representation and warranties	1. The Company is a “housing finance company” and is registered with National Housing Bank and is under the regulation by RBI and supervision of the National Housing Bank; 2. No Event of Default has occurred and is continuing on the date of this transaction; 3. Binding obligation of Transaction Documents; 4. No conflict with other obligations / constitutional documents; 5. No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, will have a Material Adverse Effect, have been started, pending or threatened against the Company; 6. The Company has the power and authority to issue the Debentures under the relevant Series and such Transactions Documents are valid and admissible in evidence in courts in Mumbai, India; 7. The Company has good and marketable title to, or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted. And as set out in greater detail in the Transaction Documents.
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai, India.
Transaction Costs	As set out in the relevant Tranche Placement Memorandum.
Due Diligence Certificate	The Issuer shall submit the due diligence certificate provided by the Trustee, to BSE in accordance with the applicable SEBI regulations, including but not limited to the SEBI Debt Listing Regulations.
Taxes, Duties, Costs and Expenses	Relevant taxes, duties and levies are to be borne by the Issuer. The charges / fees and any amounts payable under the Debentures by the Issuer as mentioned herein do not

	include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Manner of bidding	As set out in the relevant Tranche Placement Memorandum.
Manner of Settlement	Through Indian Clearing Corporation Limited (ICCL)
Settlement Cycle	As set out in the relevant Tranche Placement Memorandum.
Manner of allotment	As set out in the relevant Tranche Placement Memorandum.
Minimum Bid Lot	As set out in the relevant Tranche Placement Memorandum.
Terms of raising of securities	Mode of Payment: NEFT / RTGS Mode of Repayment: Electronic clearing services (ECS)/credit through RTGS system/funds transfer.
The Company shall provide a half-yearly certificate regarding compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results.	

Note: If there is any change in Interest Rate pursuant to any event then such new Interest Rate and events which lead to such change shall be disclosed.
The list of documents which has been executed in connection with the issue and subscription of Debentures under each Series are set out in Section 5.31 of the Shelf Placement Memorandum.
The Outstanding Principal Amount and Interest on the Debentures is unsecured. The recovery of 100% of the amount of the Debentures shall depend on the market scenario prevalent at the time of enforcement.
The Issuer will provided granular disclosures in the relevant Tranche Placement Memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "Object of the Issue".

SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the Issuer or its Promoter or director is declared wilful defaulter:

(A) **Name of the bank declaring the entity as a Wilful Defaulter**: Not applicable.

(B) **The year in which the entity is declared as a Wilful Defaulter**: Not applicable.

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter**: Not applicable.

(D) **Name of the entity declared as a Wilful Defaulter**: Not applicable.

(E) **Steps taken, if any, for the removal from the list of wilful defaulters**: Not applicable.

(F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions**: Not applicable.

(G) **Any other disclosure as specified by SEBI:** Not applicable.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

a. Master Debenture Trustee Agreement, which will confirm the appointment of Beacon Trusteeship Limited as the Debenture Trustee ("Master Debenture Trustee Agreement");

b. Master Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("Master Debenture Trust Deed");

c. Supplement to the Master Debenture Trust Deed which will set out the terms of each Tranche Issue for each Series of Debentures being issued under the relevant Tranche Placement Memorandum;

d. Supplement to the Master Debenture Trustee Agreement setting out the terms of appointment of the Debenture Trustee for each Tranche Issue for each Series of Debentures being issued under the relevant Tranche Placement Memorandum and

e. Such other documents as agreed between the Issuer and the Debenture Trustee.

7.2 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

For each Series on a separate basis, on the date of the Master Debenture Trust Deed, the date of the relevant Supplement to the Master Debenture Trust Deed, the Deemed Date of Allotment of the relevant Series and on each date until the Final Settlement Date of the relevant Series of Debentures, the Issuer makes the representations and warranties to the Debenture Trustee as set out below:

1. Status

   The Issuer is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation, and has the right to own its assets and carry on its business as it is being conducted, under the law of its India.

2. Binding Obligations

   The obligations expressed to be assumed by the Issuer under each of the Transaction Documents, to which it is a party, are legal, valid, binding and enforceable obligations.

3. Regulations

   The Issuer is a "housing finance company" and is registered with National Housing Bank and is under the regulation by RBI and supervision of the National Housing Bank in accordance with the Applicable Laws.

4. Non-Conflict with Other Obligations

   The entry into and performance by the Issuer of, and the transactions contemplated by, the Transaction Documents to which it is a party, do not and will not conflict with (i) any Applicable Law or order, writ, injunction or decree of any court or Governmental Authority having jurisdiction over the Issuer; or (ii) its constitutional documents; or (iii) any document, instrument, agreement or obligation by which it is bound.

5. Power and Authority

   The Issuer has the power and authority to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, and the performance and delivery, of the Transaction Documents to which it is or shall be a party, and the transactions contemplated bythose Transaction Documents. The Issuer has procured the corporate authorisations, including resolutions of its shareholders required to be obtained by it in respect of the issuanceof the relevant Series of Debentures.

6. Validity and Admissibility in Evidence

All authorisations required or desirable to make the Transaction Documents to which the Issuer is a party, admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect. All stamp duty has been paid on the Transaction Documents which are valid and admissible in evidence in courts in Mumbai, India.

7. Compliance with Laws

The Issuer is in compliance with Applicable Laws, with all Tax laws in all jurisdictions in which it is subject to Tax, and is not subject to any present liability by reason of non-compliance with such Applicable Law as would affect the ability of the Issuer to conduct the business. The Issuer has paid all Taxes due and payable by it (save and except for the Tax claims which are being contested by the Issuer in good faith before appropriate forums and has been disclosed to the Debenture Trustee in writing) and no claims have been asserted or are being asserted against it in respect of Taxes as would affect the ability of the Issuer to conduct its business.

8. No Event of Default

(i) No Event of Default under the relevant Series is continuing or might be expected to result from the entering into or performance by the Issuer of any of the Transaction Documents.

(ii) No other event or circumstance is outstanding which constitutes (or would to the best of the knowledge of the Issuer do so with the expiry of the cure period/grace period, the giving of notice, the making of any determination, the satisfaction of any other condition or any combination of any of the foregoing) an Event of Default under the relevant Series (howsoever described) under any other lending agreement or instrument which is binding on it or to which its assets are subject.

9. No Misleading Information

(i) Any factual information provided by or on behalf of the Issuer in connection with the issue of the relevant Series of Debentures are true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
(ii) Nothing has been omitted from any information provided to the Debenture Trustee and no information has been given or withheld that results in such information being untrue or misleading in any material respect.
(iii) Any expressions of opinion or intention provided by or on behalf of the Issuer in writing in connection with the Transaction Documents are: (i) fair and reasonable; (ii)expressed and made in good faith; (iii) arrived at after due and careful consideration and inquiry; and (iv) genuinely represent its views as at the date on which they are provided.

10. Financial Statements

(i) The Issuer maintains and shall maintain accurate business and financial records and prepares all financial statements or management accounts in accordance with the Accounting Standards consistently applied.
(ii) The Financial Year end of the Issuer is 31 March of each calender year.
(iii) The financial statements or management accounts of the Issuer give a true and fair view of its financial condition and operations as at the end of and for the relevant Financial Year.
(iv) As at the date of the most recent financial statements, the Issuer does not have any Financial Indebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) which was not disclosed by those financial statements (or by the notes thereto) or reserved against therein, nor any unrealised or anticipated losses which were not so disclosed or reserved against.
(v) There has been no material adverse change in the financial condition or business of the Issuer since the preparation of its relevant financial statements.

11. Indebtedness

As at the date of the financial statements or management accounts most recently delivered to the Debenture Trustee of the Issuer, the Issuer has no indebtedness (whether arising under contract or otherwise and regardless of whether or not contingent) or contingent liability, which was not disclosed by those financial statements or management accounts (or by the notes thereto) or reserved against therein, nor any unrealised or anticipated losses which were not so disclosed or reserved against.

12. Legal and Beneficial Ownership

The Issuer has good and marketable title to, or valid leases and licenses of or is otherwise entitled to use, all assets necessary or desirable for it to carry on its business as it is being conducted and has not received any notice of acquisition or requisition of any of its assets or for any claim from any Governmental Authority in respect thereof and has not received any notice of any proceedings pending or initiated against it in respect of acquisition or requisition of its assets.

13. Execution

The execution and performance of the Transaction Documents by the Issuer is lawful and does not constitute a default, acceleration or termination of any other agreement to which the Issuer is a party or breach of any judgment, decree, order or award.

14. No Proceedings Pending or Threatened

(i) No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, will have a Material Adverse Effect, have been started, pending or threatened against the Issuer.
(ii) No criminal proceedings have been started, pending, or threatened in writing against any directors or managerial personnel of the Issuer in connection with their role in the business of the Issuer.

15. Title

The Issuer has good and marketable title to, or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted.

16. Authorised Signatories

Each Person specified as an authorised signatory of the Issuer in any documents delivered to the Debenture Trustee pursuant to the Transaction Documents, is, subject to any notice to the contrary delivered to the Debenture Trustee, authorised to sign all documents and notices on behalf of the Issuer.

17. Authorisations

All Authorisations required or desirable:

(i) to enable the Issuer to lawfully enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
(ii) to make the Transaction Documents to which the Issuer is a party admissible in evidence in its jurisdiction of incorporation;
(iii) to ensure the obligations of the Issuer under the Transaction Documents to which it is a party are legal, valid, binding and enforceable,

have been obtained or effected and are in full force and effect, and each such Authorisation is being complied with.

18. No Filing or Stamp Taxes

Other than:

(i) the filing of the relevant Disclosure Documents with the Stock Exchange, for the relevant Series of Debentures;
(ii) payment of stamp duty (which has already been made and is evidenced on the face of each Transaction Document);
(iii) the filing of forms or registrations with the Registrar of Companies and registrations with the Information Utility pursuant to the IBC,

it is not necessary that any Transaction Document be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to any Transaction Document or the transactions contemplated thereunder.

19. Taxes

(i) The Issuer has: (i) paid all Taxes required to be paid by it other than any Taxes being contested by it in good faith and in accordance with the relevant procedures and for which adequate reserves are being maintained in accordance with Applicable Law; and (ii) made all Tax filings required to be made by it, within the time period allowed for payment or filing, as the case may be.
(ii) The Issuer is not required to make any Tax Deduction from any payment it may make under any of the Transaction Documents unless Tax Deduction is required by Applicable Law and the same has been notified by the Issuer to the Debenture Trustee under the Master Debenture Trust Deed or the relevant Supplement to the Master Debenture Trust Deed.

20. No Default

No Event of Default under the relevant Series is continuing or might reasonably be expected to result from the entering into or performance by the Issuer of its obligations under any Transaction Document to which it is a party.

21. Defaulter's List

The names of the Issuer and/ or its directors do not figure in any list of defaulters circulated by the RBI or any bank or financial institution nor do the names of its directors appear in caution list issued by RBI/ Export Credit Guarantee Corporation / Director General of Foreign Trade.

22. Remuneration / expenses of Debenture Trustee

The remuneration, fees and expenses payable to the Debenture Trustee pursuant to the terms of the Transaction Documents arises on account of the provision of services by the Debenture Trustee and the obligations undertaken by the Debenture Trustee under the Transaction Documents are in the nature of service.

23. Ranking

The Issuer's payments obligations for the relevant Series of Debentures under the Transaction Documents shall be superior to the claims of the investors in preference shares and equity shares in that order but shall be subordinated to the claims of all other creditors and rank *pari passu* with the claims of all its other unsecured and subordinated creditors, except for obligations mandatorily preferred by Applicable Law.

The Outstanding Principal Amounts of the relevant Series of Debentures, Interest due, if any, (inclusive of Default Interest where applicable) and all other monies shall, as between the holders of the relevant Series of Debentures, rank *pari passu inter se* without any preference or priority whatsoever on account of the Issue Opening Date or Deemed Date of Allotment in respect of the relevant Tranche Issue or otherwise.

The Debenture Holder(s) under the relevant Series shall be entitled to their Debentures free from any equities or cross claims by the Issuer against the original or any intermediate holders thereof.

7.3 COVENANTS OF THE ISSUER

7.3.1. AFFIRMATIVE COVENANTS

For each Series on a separate basis, the following covenants will be maintained and complied with in full at all times by the Issuer until the Final Settlement Date for the relevant Series ("**General Covenants**"):

1. **Authorisations**

(a) The Issuer shall promptly (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and (ii) supply certified copies to the Debenture Trustee of, any Authorisation required under any law or regulation to enable it to perform its obligations under any Transaction Documents (including, in connection with any payment to be made thereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation or in courts of India of any Transaction Document or otherwise required for carrying on its business as it is being conducted.

(b) The Issuer shall make all necessary filings of the resolutions and other Authorisations to comply with and do all that is necessary to maintain in full force and effect and supply certified copies to the Debenture Trustee of proof of filing of such Authorisation as required under any law or regulation.

(c) The Issuer shall preserve and maintain its legal existence and shall maintain the Authorisations and other rights, franchises, privileges, licenses and consents necessary for the maintenance of its corporate existence, the conduct of its affairs, its business and implementation thereof.

2. **Compliance with Laws**

(a) The Issuer shall comply in all respects with Applicable Law to which it may be subject.

(b) Without prejudice to the generality of sub-paragraph (a) above, the Issuer shall comply in all respects with any circular, guideline, direction, notification or rule issued by any Governmental Authority, with respect to the issuance of the relevant Series of Debentures.

(c) The Issuer will preserve its corporate status.

3. **Credit Rating**

The Issuer shall ensure that the rating obtained from the Rating Agencies in relation to the relevant Series of Debentures, is periodically reviewed at least once a year or such other frequency as prescribed under Applicable Law, by a credit rating agency registered with SEBI and any revision in each of the ratings shall be promptly disclosed by the Issuer to the Stock Exchange where the relevant Series of Debentures are listed.

4. **Ranking**

The Issuer's payments obligations for the relevant Series of Debentures under the Transaction Documents shall be superior to the claims of the investors in preference shares and equity shares in that order but shall be subordinated to the claims of all other creditors and rank *pari passu* with the claims of all its other unsecured and subordinated creditors, except for obligations mandatorily preferred by Applicable Law.

The Outstanding Principal Amounts of the relevant Series of Debentures, Interest due, if any, (inclusive of Default Interest where applicable) and all other monies shall, as between the holders of the relevant Series of Debentures, rank *pari passu inter se* without any preference or priority whatsoever on account of the Issue Opening Date or Deemed Date of Allotment in respect of the relevant Tranche Issue or otherwise.

The Debenture Holder(s) under the relevant Series shall be entitled to their Debentures free from any equities or cross claims by the Issuer against the original or any intermediate holders thereof.

5. **Taxes**

The Issuer shall:

(a) pay all Taxes required to be paid by it other than any Taxes being contested by it in good faith and in accordance with the relevant procedures and for which adequate reserves are being maintained in accordance with Applicable Law; and
(b) make all Tax filings required to be made by it, within the time period allowed for payment or filing, as the case may be.

6. **Transaction Documents**

The Issuer shall execute all the Transaction Documents within the stipulated timelines. In the event of failure to execute the Transaction Documents within such timelines as may be specified under the Master Debenture Trust Deed or the relevant Supplement to the Master Debenture Trust Deed, the Issuer shall pay Default Interest to the Debenture Holder(s) under the relevant Series, over and above the Interest until the execution of such Transaction Document.

7. **Grievance Redressal**

The Issuer undertakes that it shall apply for SEBI Redress System (SCORES) authentication in the format specified by SEBI and shall use the same for all issuance of the relevant Series of Debentures.

8. **Fair and Equitable Treatment**

The Issuer shall ensure that it treats all applicants to the Issue in a fair and equitable manner as per the procedures as may be specified by SEBI. The Issuer shall not employ any device, scheme or artifice to defraud in connection with the subscription or allotment of the relevant Series of Debentures which are listed or proposed to be listed on the Stock Exchange.

9. **Fair Practices**

The Issuer shall comply with corporate governance, fair practices code prescribed by the RBI.

10. **Internal Controls**

The Issuer must maintain internal control for the purpose of: (i) preventing fraud on monies lent by the Issuer; and (ii) preventing money being used for money laundering or illegal purposes.

7.3.2. NEGATIVE COVENANT

For each Series on a separate basis, the Issuer shall until the Final Settlement Date of the relevant Series of Debentures, not do or undertake the following as set out below ("**Negative Covenant**") without the prior written consent of the Majority Debenture Holder(s) under the relevant Series of Debentures and the Debenture Trustee:

1. **Restriction on Dividend**

The Issuer shall not declare any dividend to the shareholders in any year until the Issuer has paid or made satisfactory provision for the payment of the instalments of Outstanding Principal Amounts and Interest due on the relevant Series of Debentures.

7.3.3. INFORMATION COVENANTS

1. Within 45 (Forty Five) calendar days from the end of each Financial Quarter, submit to the Debenture Trustee and Debenture Holder(s) under the relevant Series:

(a) Information on financial statements of the Issuer
(b) Financial and other covenant compliance certificate signed by the chief financial officer or authorized signatory of the Issuer;
(c) Shareholding pattern of the Issuer;

2. The Issuer shall provide to the Debenture Trustee and Debenture Holder(s) under the relevant Series all event based reports in the event of changes initiated by the Issuer requiring approval of the Board and having any impact on the relevant Series of Debentures or Debenture Holder(s) under the relevant Series within the

following timeframe: (a) within 5 (Five) calendar days of approval of the Board (if Board approval is required under Applicable Laws in relation to the relevant information or reports); and (b) in all others cases, such reports or information will be provided within 15 (Fifteen) calendar days:

3. The Issuer shall promptly, upon the occurrence of such event, inform the Debenture Trustee and Debenture Holder(s) under the relevant Series of:

   (a) any major or significant change in composition of its Board;
   (b) any event which may amount to change in control as defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended; (iii) any change in the shareholding structure promptly upon the occurrence of such event;
   (c) any change in statutory auditors promptly upon the occurrence of such event;
   (d) any material changes in accounting policy promptly upon the occurrence of such event;
   (e) any material change in the constitutional documents of the Issuer that are prejudicial to the interests of the Debenture Holder(s) under the relevant Series promptly upon the occurrence of such event;
   (f) any new segment of business other than the business carried out by the Issuer as at the date of the Debenture Trust Deed promptly upon the occurrence of such event;
   (g) any event which has a Material Adverse Effect promptly upon the occurrence of such event;
   (h) any material dispute, litigation, investigation, arbitration, administrative action or other proceeding pending or filed against the Issuer and for these purposes, "**material**" means arbitration or administrative proceedings which for these purposes means an amount in excess of Rs. 100,00,00,000 (Rupees One Hundred Crore);
   (i) any moratorium or any other action taken by the RBI or any other winding up or liquidation proceedings promptly upon the occurrence of such event;
   (j) any application for commencement of insolvency resolution process under the IBC in the National Company Law Tribunal or as permitted by Applicable Law and before any other forum by the Issuer or any creditor of the Issuer promptly upon the occurrence of such event.

4. The Issuer shall at the end of every Financial Quarter within 45 (Forty Five) calendar days of the respective Financial Quarter or within 7 (Seven) calendar days of the relevant Board meeting whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the following:

   (a) Updated list of names and addresses of all the Debenture Holder(s) under the relevant Series and the number of the relevant Series of Debentures held by the Debenture Holder(s) under the relevant Series;
   (b) Details of Interest due under the relevant Series of Debentures but unpaid, if any, and reasons for the same;
   (c) Details of payment of Interest made on the relevant Series of Debentures in the immediately preceding calendar Financial Quarter; and
   (d) The number of grievances pending at the beginning of the Financial Quarter, the number and nature of grievances received from the Debenture Holder(s) under the relevant Series during the Financial Quarter, resolved/disposed of by the Issuer in the Financial Quarter and those remaining unresolved by the Issuer and the reasons for the same.

5. The Issuer shall also submit a certificate from a statutory auditor for every second Financial Quarter and fourth Financial Quarter certifying compliance with the covenants of the Transaction Documents and the Disclosure Documents and any other covenants in respect of listed non-convertible debt securities in the manner as may be specified by SEBI from time to time.

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

   (a) at the end of each year, a certificate from the statutory auditors with respect to the use of the proceeds raised through the Tranche Issue for the relevant Series of Debentures. Such certificate shall be provided at the end of each year until the funds are fully utilized;
   (b) by no later than 30 (Thirty) calendar days from the Deemed Date of Allotment for the relevant Series or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Issuer confirming credit of dematerialized Debentures under the relevant Series into the depository accounts of the Debenture Holder(s) under the relevant Series within the timelines prescribed under the Applicable Laws;

(c) a half-yearly certificate along with half yearly results from the statutory auditor regarding compliance with all the covenants of the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed along with the half-yearly financial results;

(d) upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Debenture Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of Interest or Redemption Amount or both, or there is a breach of any covenants, terms or conditions by the Issuer in relation to the Debentures under any Transaction Documents;

(e) a copy of all notices, resolutions and circulars relating to:

(i) new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities;

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

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

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

(ii) any alteration in the due dates on which Interest on the Debentures or the Redemption Amount is payable; and / or

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

7. The Issuer disclose information as required pursuant to the SEBI Operational Framework Circular. In this respect:

(a) The Issuer shall notify to the Stock Exchange, Depositories and Debenture Trustee the status of payment of Debentures within 1 (One) Stock Exchange Working Day of the Redemption Date.

(i) While notifying the status of payment to the Debenture Trustee(s), the Issuer shall also notify to the Debenture Trustee(s) that it has informed the status of payment or otherwise to the Stock Exchange and Depositories.

(ii) If notices of the status of payment of the Debentures is not received by the Stock Exchange and Depositories within the required timeline, transactions in such Debentures will continue to be restricted and such restrictions will continue until any further notification is received from the Issuer or the Debenture Trustee regarding the status of payment of such Debentures.

(b) The Issuer will inform the Stock Exchange, Depositories and Debenture Trustee(s) latest by the 2nd (Second) Stock Exchange Working Day of April of each Financial Year on the updated status of payment of the Debentures.

(c) If applicable, in case of any developments or events that impact the status of default of the Debentures (including restructuring of the Debentures, insolvency proceedings or any other applicable event), the Issuer or the Debenture Trustee shall notify the Stock Exchange and Depositories within 1 (One) Stock Exchange Working Day of such development.

8. The Issuer shall promptly inform the Debenture Trustee the following details (if any):

(a) corporate debt restructuring,

(b) fraud/defaults by Promoter or key managerial personnel or by the Issuer or arrest of key managerial personnel or Promoter; and / or

(c) reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Issuer or any winding up applications or petitions are made.

9. In accordance with Regulation 52 of SEBI LODR Regulations, the Issuer shall submit to Stock Exchange for dissemination along with the quarterly or annual financial results, the following line items along with the financial results.

(a) debt-equity ratio;

(b) debt service coverage ratio;

(c) interest service coverage ratio;
(d) outstanding redeemable preference shares (quantity and value) (if any and if applicable);
(e) capital redemption reserve/debenture redemption reserve;
(f) net worth;
(g) net profit after tax; and
(h) earnings per share;
(i) current ratio;
(j) long term debt to working capital;
(k) bad debts to account receivable ratio;
(l) current liability ratio;
(m) total debts to total assets;
(n) debtor's turnover;
(o) inventory turnover;
(p) operating margin (%);
(q) net profit margin (%); and
(r) sector specific equivalent ratios, as applicable.

10. The Issuer shall notify the Debenture Trustee of any Event of Default and/ or Potential Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

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

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

13. In accordance with Regulation 52 (7) of SEBI LODR Regulations, the Issuer shall submit to Stock Exchange for dissemination within 45 (Forty Five) calendar days from the end of every quarter, a statement indicating utilisation of the proceeds of the Debentures, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

14. The Issuer will file with the Stock Exchange, the prescribed statements, financial statements within the timelines prescribed under with Regulation 52 of the SEBI LODR Regulations.

15. The Issuer will submit the information as set out under Regulation 56 of the SEBI LODR Regulations.

16. The Issuer will, within 15 (Fifteen) calendar days from the end of each half year, disclosure the information as mandated under the SEBI Operational Framework Circular to the Stock Exchange and Depository.

17. The Issuer will provide information in respect of the Interest or Redemption Amount by giving information to the Debenture Trustee, Stock Exchange, and on the Issuer's website as required under Applicable Law.

18. The Issuer will submit information to the Stock Exchange on a periodical basis and/or 'as and when' basis, as set out in the SEBI Operational Framework Circular.

19. The Issuer shall give prior intimation to the Stock Exchange with a copy to the Debenture Trustee at least 11 (Eleven) Business Days before the date on and from which the Interest on Debentures, and the Redemption Amount of Debentures becomes payable or within such timelines as prescribed under Applicable Law.

20. The Issuer will provide documents as may be required for the Debenture Trustee to comply with its obligations of due diligence and monitoring on a continuous and periodic basis respectively, and submit reports or certifications, under Applicable Laws.

21. The Issuer will provide information to the Debenture Trustee as required under the Act, the Companies (Share Capital and Debentures) Rules, 2014 as amended, the Debenture Trustee Regulations, SEBI Debenture Trustee Operational Circular, SEBI LODR Regulations, and other Applicable Laws.

22. The Issuer will provide a statutory auditor's certificate on a half yearly basis (to be provided along with financial results), pursuant to Regulation 56(1)(d) of the SEBI LODR Regulations, confirming that the issue proceeds have been utilized, and the Issuer is complied with the covenants, each as set out in the Placement Memorandum, Private Placement Offer Letter or Transaction Documents.

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

24. The Issuer shall supply to the Debenture Trustee (sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests), half yearly financial results within 45 (Forty Five) calendar days from the end of each half year.

25. In the event of initiation of a 'forensic audit' (by whatever name called) in respect of the Issuer, the Issuer shall provide the information and make requisite disclosures to the Stock Exchange, in accordance with the SEBI LODR Regulations, including but not limited to: (a) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and (b) final forensic audit report (other than for forensic audit initiated by regulatory or enforcement agencies) on receipt by the Issuer along with comments of the management, if any.

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

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

28. The Issuer shall furnish the following to the Debenture Trustee:

    (a) its duly audited annual accounts, within 120 (One Hundred and Twenty) calendar days from the close of its accounting year;
    (b) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (Forty-Five) calendar days from the end of the half year or within such timelines as prescribed under Applicable Law;
    (c) a one-time certificate from the statutory auditor of the Issuer with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses;
    (d) within 120 (One Hundred and Twenty) calendar days from the end of the Financial Year, submit a copy of the latest annual report;
    (e) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of the SEBI Debenture Trustee Operational Circular and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI Debenture Trustee Operational Circular.

29. The Issuer shall:

    (a) supply to the Debenture Trustee (with sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests) all documents despatched by it to its

shareholders (or any class of them) or its creditors generally at the same time as they are despatched;

(b) promptly upon becoming aware, supply to the Debenture Trustee (and sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests), the details of any event which may have a Material Adverse Effect;

(c) promptly upon becoming aware, supply to the Debenture Trustee (and sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Issuer to abandon the business;

(d) at the end of every financial year, supply to the Debenture Trustee (and sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests), a certificate from a statutory auditor confirming the due maintenance of a DRR in accordance with the provisions of Applicable Law (as applicable);

(e) promptly, supply to the Debenture Trustee (and sufficient copies for all Debenture Holder(s) under the relevant Series if the Debenture Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Debenture Trustee, accompanied (where relevant) by a specimen signature of each new signatory;

(f) promptly notify the Issuer of any Event of Default or Potential Event of Default and any steps taken or proposed to remedy the such situation promptly upon the occurrence of such event;
promptly provide the Issuer with all know-your customer requirements, documents and information as required by the Debenture Trustee or Debenture Holder(s) under the relevant Series;

(g) comply with all requirements under the SEBI Debenture Trustee Operational Circular, and provide all documents/information as may be required in accordance with the SEBI Debenture Trustee Operational Circular;

(h) ensure due compliance and adherence to the SEBI's circulars on listed debentures in letter and spirit;

(i) the extent required/applicable, the Issuer shall provide intimation to the Debenture Trustee regarding (i) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer, and (ii) all covenants of the Issue (including side letters, event of default provisions/clauses etc.);

(j) comply with the requirements prescribed under the SEBI Debenture Trustee Operational Circular in respect of the Debentures and the transactions contemplated in the Transaction Documents;

(k) promptly disclose and furnish to the Debenture Trustee, all documents/ information about or in relation to the Issuer or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/ certification to stock exchange within the prescribed timelines; and

(l) informing the Debenture Trustee about any change in nature and conduct of business by the Issuer before such change.

7.3.4. FINANCIAL COVENANT

For each Series on a separate basis, the following financial covenant and ratio will be maintained and complied with in full at all times by the Issuer until the Final Settlement Date for the relevant Series ("**Financial Covenant**"):

1. **Capital Adequacy Ratio**

The Issuer shall maintain its tier 1 and tier 2 Capital Adequacy Ratio as stipulated by the RBI or NHB.

7.4 EVENTS OF DEFAULT

For each Series on a separate basis, the occurrence of any one of the following events shall constitute an "**Event of Default**" by the Issuer:

1. **Default in Redemption of Debentures**

Default by the Issuer in the payment of all of any of an amount in respect of redemption of the relevant Series of Debentures as and when it was due and payable. Provided that, any event of non-repayment of Redemption Amount of the relevant Series of Debentures by the Issuer pursuant to the provisions of the HFC Master Directions (including not receipt of NHB Approval) shall not be construed to be an Event of Default under the relevant Series of Debentures. Provided further that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not

exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default for the relevant Series of Debentures.

2. **Default in Payment of Interest or Other Amounts**

Default by the Issuer in the payment of all or any part of any Interest, Default Interest or any other amounts in respect of the Debenture Obligations in respect of the relevant Series of Debentures, as and when it is due and payable. Provided further that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default for the relevant Series of Debentures.

3. **Default in Performance of Covenants and Conditions**

Default by the Issuer in the performance of any material covenants, conditions or agreements (other than payment defaults under the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed) or the Disclosure Documents, or other Transaction Documents or deeds entered into between the Issuer and the Debenture Holder(s) under the relevant Series or Debenture Trustee (including but not limited to, General Covenants, Negative Covenant, Information Covenants and Financial Covenant), and the same is not cured within 30 (Thirty) calendar days.

4. **Issuer Ceases to Carry on Business**

If the Issuer ceases with or without the consent of the Debenture Holder(s) under the relevant Series, or threatens (in writing) to cease to carry on its business or gives notice of its intention to do so.

5. **Inability to Pay Debts**

If the Issuer is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into insolvency or liquidation have been admitted by any competent court under IBC or otherwise or a special resolution has been passed by the shareholders for winding up of the Issuer or for filing an application to initiate insolvency resolution process of the Issuer or it is certified by the statutory auditors that the liabilities of the Issuer exceed its assets indicating the inability of the Issuer to discharge its obligations under the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed, and such default has not been set right by the Issuer within 30 (Thirty) calendar days of the Issuer receiving a notice to this effect from the Debenture Trustee.

6. **Proceedings against the Issuer**

Any of the following occur with respect to the Issuer:

(i) The Issuer shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law (including IBC), or has suffered any action taken for its reorganization, insolvency, liquidation or dissolution except an application filed by an operational creditor of the Issuer for initiation of corporate insolvency resolution process under IBC in respect of the Issuer, which has been disputed by the Issuer and gets dismissed within 30 (Thirty) calendar days from the commencement of such proceedings; or

(ii) A receiver or resolution professional or liquidator is appointed or allowed to be appointed in respect of all or any part of the undertaking of the Issuer and the appointment has not been stayed, quashed or dismissed within 30 (Thirty) calendar days from the date of such appointment.

(iii) When an order has been made by a tribunal or a special resolution has been passed by the members of the company for winding up of the Issuer.

7. **Misleading Information**

Any information given by the Issuer in the Disclosure Documents, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Issuer to the Debenture Holder(s) under the relevant Series for availing financial assistance by way of subscription to the relevant Series of Debentures is or proves to be materially misleading or incorrect in any material respect or is found to be incorrect.

7.5 CONSEQUENCES OF EVENTS OF DEFAULT

1.1. For each Series on a several basis, the Events of Default for the Debentures in respect of the relevant Series are set out in **Schedule IV** (*Events of Default*) of the Master Debenture Trust Deed. Each of the events and circumstances set out therein, after the expiry of cure period, if any independently constitute an Event of Default under the relevant Series of Debentures.

1.2. For each Series on a several basis, each of the events or circumstances set out under **Schedule IV** (*Events of Default*) of the Master Debenture Trust Deed is an Event of Default in respect of the relevant Series. If any Event of Default under the relevant Series of Debentures has occurred, the Issuer shall, forthwith immediately give notice thereof to the Debenture Trustee in writing specifying the nature or event of such Event of Default under the relevant Series of Debentures.

1.3. For each Series on a several basis, on and at any time after the occurrence of an Event of Default under the relevant Series of Debentures, the Debenture Trustee may, and shall, if so, directed by the Majority Debenture Holder(s) under the relevant Series, by a notice in writing to the Issuer, take any action including but not limited to the following:

(i) declare all or a part of the Debentures under the relevant Series, together with any accrued Interest (including Default Interest, and all other amounts accrued or outstanding under the Transaction Documents to be immediately due and payable, whereupon they shall become immediately due and payable (including the Redemption Amount);
(ii) exercise any or all of its rights, discretions, powers and remedies under the Transaction Documents and under Applicable Law, to take or institute proceedings against the Issuer and apply all monies standing to the credit of the accounts towards the satisfaction of the Debenture Obligations under the relevant Series), including the utilisation of the Recovery Expense Fund thereof in accordance with the SEBI Debenture Trustee Operational Circular;
(iii) accelerate the redemption of the Debentures under the relevant Series;
(iv) exercise all the rights and remedies available to it in such manner as Debenture Holder(s) under the relevant Series may deem fit without intervention of the court and without having to obtain any consent of the Issuer;
(v) initiate, proceedings / exercise rights available to recover the amounts in relation to the Debenture Obligations under the relevant Series;
(vi) disclose the name and details of the Issuer to CIBIL or RBI or CRILC and publish the name of the Issuer and each of their directors as a defaulter through print and electronic media or in any other form and manner as the Debenture Trustee may deem fit, at their absolute discretion and also notify other creditors of the Issuer, and the Stock Exchange where the Issuer's securities are listed, of such default;
(vii) take any actions in respect of the SEBI Debenture Trustee Operational Circular in accordance with the provisions of the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed;
(viii) to appoint a nominee director in accordance with the SEBI DT Regulations on the board of directors of the Issuer or to appoint an observer to all meetings of the board of directors of the Issuer, in the manner more particularly set out in the Master Debenture Trust Deed;
(ix) to initiate any enforcement action under Applicable Law;
(x) to levy default interest on overdue amounts in accordance with the terms of the relevant Tranche Issue; and
(xi) to exercise such other rights as the Debenture Holder(s) under the relevant Series may deem fit under Applicable Law.

Provided that, any event of non-repayment of Redemption Amount of the relevant Series of Debentures by the Issuer pursuant to the provisions of the HFC Master Directions (including not receipt of NHB Approval) shall not be construed to be an Event of Default.

1.4. Other than as expressly set out in the Master Debenture Trust Deed, the Issuer (on its own behalf) waives any right that it might have to further notice, presentment, or demand with respect to any action taken pursuant to the occurrence of anEvent of Default under the relevant Series of Debentures.

1.5. After the occurrence of an Event of Default under the relevant Series, and the expiry of cure periods (if any) the Debenture Trustee shall send a notice to the Debenture Holder(s) under the relevant Series (along with a

copy to the Issuer) within 3 (Three) calendar days of the Event of Default under the relevant Series by registered post / acknowledgement due or speed post / acknowledgement due or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email with a notification including a read receipt, and proof of dispatch of such notice or email, shall be maintained. The notice shall contain the following: (a) request for positive consent for signing of the ICA; (b) the time period within which the consent needs to be provided by the Debenture Holder(s) under the relevant Series, in terms of consent to be given within 15 (Fifteen) calendar days from the date of notice or such revised timelines as prescribed under Applicable Law; and (c) the date of meeting to be convened (which shall be within 30 (Thirty) calendar days of the occurrence of Event of Default under the relevant Series). Provided that in case the Event of Default under the relevant Series is cured between the date of notice and the date of meeting, then the convening of such a meeting may be dispensed with. The Issuer shall have the right to cure the Events of Default within the cured periods mentioned thereunder. Further, it is hereby clarified that in case the Issuer fails to cure any of the Events of Default above within their respective cure periods in accordance thereof, the Debenture Trustee shall seek written instructions from the Majority Debenture Holders for the relevant Series or pass a resolution by holding a meeting or through e-voting to serve a notice to the Issuer to accelerate the payments due and payable for with under the Deed ("Default Notice") for the relevant Series of Debentures. If the Issuer fails to make payments required to be made pursuant to the Default Notice, the Debenture Trustee may declare the same as an Event of Default under the terms of the Deed for the relevant Series of Debentures.

1.6. The Debenture Trustee shall take necessary action of entering into the ICA or take any other action as decided in the meeting of Debenture Holder(s) under the relevant Series in accordance with the procedure set out in paragraph 28 of Schedule VI, including the decision of formation of a representative committee of the Debenture Holder(s) under the relevant Series to participate in the ICA or as may be decided in the meeting of Debenture Holder(s) under the relevant Series. Such a committee, if decided to be formed, may comprise of the designated members representing the interest of the ISIN level Debenture Holder(s) under the relevant Series and be responsible to take decisions which shall be binding on the specific ISIN level Debenture Holder(s) under the relevant Series relating to ICA matters, or take any other action as may be decided by the Debenture Holder(s) under the relevant Series, from time to time.

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

1.8. The Debenture Trustee after obtaining consent of Debenture Holder(s) under the relevant Series for enforcement shall inform the designated stock exchange seeking release of the Recovery Expense Fund. The Debenture Trustee shall follow the procedure set out in the SEBI Debenture Trustee Operational Circular for utilisation of the Recovery Expense Fund and be obligated to keep proper account of all expenses, costs including but not limited to legal expenses, hosting of meetings etc., incurred out of the Recovery Expense Fund.

1.9. All expenses over and above those met from the Recovery Expense Fund incurred by the Debenture Trustee after an Event of Default under the relevant Series has occurred in connection with collection of amounts due under the Master Debenture Trust Deed and the relevant Supplement to the Master Debenture Trust Deed, shall be promptly payable by the Issuer.

1.10. It is hereby clarified that the Debenture Trustee shall not be liable in any manner to guarantee the recovery of the entire Outstanding Amounts in relation to the relevant Series of Debentures.

Please note that the Capitalised terms used in this section, but not defined herein, shall have the meaning as assigned to such term in the Master Debenture Trust Deed.

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures under each Series being offered as part of each Tranche Issue are subject to the provisions of the Act, the Memorandum and Articles of Association of the Issuer, the terms of this Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Application Form for each Series, and other Terms & Conditions for each Series, as may be incorporated in the Transaction Documents.

The issue of Debentures under each Series does not form part of non-equity regulatory capital as set out in the SEBI circular dated February 8, 2023 (bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027) and under Chapter V and Chapter XIII of the Listed NCDs Operational Circular. The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh). Notwithstanding the above, the Debentures shall form part of the Tier II Capital of the Issuer pursuant to the HFC Directions.

The terms of each Tranche Issue shall be set out in the respective Tranche Placement Memorandum. This section provides an overview of the process applicable to each Tranche Issue, and certain disclosures of the Issuer and Investor in respect of the Debentures under a Series and each Tranche Issue.

This Shelf Placement Memorandum shall be subject to the terms and conditions pertaining to the Debentures under a Series outlined hereunder as modified / supplemented by the terms of the respective Tranche Placement Memorandum filed with the Stock Exchange in relation to such Tranche Issue and other documents in relation to such issuance including the Private Placement Offer Letter(s) for each Series.

The terms and conditions contained in this Shelf Placement Memorandum shall be read in conjunction with the provisions contained in the respective Tranche Placement Memorandum. In case of any repugnancy, inconsistency or where there is a conflict between the terms and conditions as are stipulated in the respective Tranche Placement Memorandum on one hand, and the terms and conditions in the Shelf Placement Memorandum on the other, the provisions contained in the respective Tranche Placement Memorandum shall prevail over and override the provisions of this Shelf Placement Memorandums for all intents and purposes.

8.1 Mode of Transfer/Transmission of Debentures

The Debentures under each Series shall be transferable freely; however, it is clarified that no Investor shall be entitled to transfer the Debentures under each Series to a person who is not entitled to subscribe to the Debentures under each Series . The Debenture(s) under each Series shall be transferred and/or transmitted in accordance with the applicable provisions of the Act and other Applicable Laws. The Debentures under each Series held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL and CDSL and the relevant DPs of the transferor or transferee and any other Applicable Laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the person, whose name appears in the Register of Debenture Holders maintained by the R&T Agent as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures under each Series held in dematerialised form. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

8.2 Debentures held in Dematerialised Form

The Debentures under each Series shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures under each Series will be simultaneously redeemed through appropriate debit corporate action.

The list of beneficiaries as of the relevant Record Date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the R&T Agent to the Issuer. If permitted, the Issuer may transfer payments required to be made in any relation by EFT/RTGS to the bank account of the Debenture Holder(s) for redemption payments.

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Beacon Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Master Debenture Trustee Agreement and the Master Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. Each Supplement to the Master Debenture Trust Deed shall set out the specific terms of each Tranche Issue.

The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures under each Series as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s).

Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s).

The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of Outstanding Principal Amount and Interest thereon, under each Series, and they will take necessary action, subject to and in accordance with the Master Debenture Trustee Agreement and the Master Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so.

The Master Debenture Trustee Agreement and the Master Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

The Issuer may, at its option, but subject to Applicable Laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

8.5 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

8.6 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Shelf Placement Memorandum or the Tranche Placement Memorandum or the Transaction Documents which, in the opinion of the Debenture Trustee, is of a formal, minor or technical nature or is to correct a manifest error.

Any other change or modification to the terms of the Debentures shall require approval by the Majority Debenture Holders.

8.7 Right to accept or reject Applications

The Board of Directors/Committee of Directors reserves its full, unqualified and absolute right to accept or reject any application for subscription to the Debentures, in part or in full, without assigning any reason thereof.

8.8 Notices

Any notice in respect of the Debentures may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

8.9 Tranche Issue Procedure

Only Eligible Investors may apply for the Debentures under each Series by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of

Debentures under each Series that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture under each Series. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

The Applicant should transfer payments required to be made in any relation by EFT/RTGS, to the bank account as per the details mentioned in the Application Form.

The Debentures being offered as part of each Tranche Issue are subject to the provisions of the Companies Act, 2013, the SEBI Debt Listing Regulations, the RBI HFC Master Directions, the Memorandum and Articles of Association of the Issuer, the terms of the Shelf Placement Memorandum, the relevant Tranche Placement Memorandum, the Private Placement Offer Letter under each Series, the Application Form under each Series and other Terms & Conditions under each Series as incorporated in the Transaction Documents.

Tranche Issue Procedure

Each Tranche Issue will be open on the BSE EBP Platform, on the Issue Opening Date for the relevant Series, in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline for issuance of debentures.

Following the Issue Closing Date for the relevant Series, an offer will be made by the Issuer to Eligible Investors to subscribe to the Debentures under each Series by way of a serially numbered and specifically addressed Private Placement Offer Letter and Application Form for the relevant Series.

The Issuer reserves the right to change the Tranche Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Tranche Issue will be open for subscription during the banking hours on each day during the period covered by the issue schedule for the Debentures for the relevant Series.

Procedure for Applying for Dematerialized Facility

(a) The applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL prior to making the application.

(b) The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "*Details for Issue of Debentures in Electronic/Dematerialised Form*".

(c) Debentures under the relevant Series allotted to an applicant will be credited to the applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debentures under the relevant Series, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

(e) Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Shelf Issue.

(f) If incomplete/incorrect details are given under the heading "*Details for Issue of Debentures in Electronic/Dematerialised Form*" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

(g) For allotment of Debentures under the relevant Series, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

(h) The redemption amount or other benefits in respect of the Debentures under the relevant Series, would be paid to those Debenture Holder(s) whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures under the relevant Series for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

Who Can Apply?

The QIBs as specified in **Annexure I** "*Term Sheet*" and Chapter 6 "*Regulatory Disclosures*" are eligible to apply for the Debentures under the relevant Series. All Applicants are required to comply with the relevant regulations/guidelines applicable to them for investing in the relevant Tranche Issue in accordance with the norms approved by GoI, RBI or any other statutory body from time to time, including but not limited to BSE EBP Guidelines as published by BSE on its website for investing in the relevant Tranche Issue. The contents of the Shelf Placement Memorandum, the Tranche Placement Memorandum and any other information supplied in connection hereof are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced or disseminated by the recipient.

THE ISSUER MAY, BUT IS NOT BOUND TO, REVERT TO ANY ELIGIBLE INVESTOR FOR ANY ADDITIONAL DOCUMENTS OR INFORMATION. INVESTMENT BY ELIGIBLE INVESTORS FALLING IN THE CATEGORIES MENTIONED IN THE SHELF PLACEMENT MEMORANDUM ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST IN ACCORDANCE WITH EXTANT LAWS, RULES, REGULATIONS, OR GUIDELINES. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT LAWS, RULES, REGULATIONS OR GUIDELINES GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY AN ELIGIBLE INVESTOR.

Documents to be provided by Eligible Investors

To be able to bid under the BSE EBP Platform, Eligible Investors must have provided the requisite documents (including but not limited to KYC) in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline or applicable law or as requested by the Issuer. The Issuer is entitled at any time to require an Eligible Investor to provide any KYC or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with applicable laws.

Eligible Investors need to submit the following documents, as applicable:

(a) Memorandum and Articles of Association or other constitutional documents;
(a) Resolution authorising investment;
(b) Power of Attorney to custodian;
(c) Specimen signatures of the authorised signatories;
(d) SEBI registration certificate (for Mutual Funds);
(e) Copy of PAN card; and
(f) Application Form (including RTGS details).

Permanent Account Number

Every applicant should mention its Permanent Account Number ("PAN") allotted under Income Tax Act, 1961, on the Application Form and attach a self-attested copy as evidence. Application forms without PAN will be considered incomplete and are liable to be rejected.

Application under Power of Attorney or by Eligible Investors

In case of Applications made under a power of attorney or by a company or a body corporate or registered society or mutual fund, and scientific and/or industrial research organizations or trusts etc., the relevant power of attorney or the relevant resolution or authority to make the Application, as the case may be, together with the certified true copy thereof along with the certified copy of the memorandum and articles of association and/or bye-laws, as the case may be, shall be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form, failing which the applications are liable to be rejected.

Applications to be accompanied with Bank Account Details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of redemption amount and all other amounts payable to the Debenture Holder(s) through EFT/RTGS.

Procedure for Multiple Applications

In case of applications by mutual funds and venture capital funds, a separate application must be made in respect of each scheme of an Indian mutual fund/venture capital fund registered with the SEBI and such applications will not be treated as multiple application, provided that the application made by the asset management company/trustee/custodian clearly indicated their intention as to the scheme for which the application has been made.

The application forms duly filled shall clearly indicate the name of the concerned scheme for which application is being made and must be accompanied by certified true copies of:

(i) SEBI registration certificate;
(ii) Resolution authorizing investment and containing operating instructions;
(iii) Specimen signature of authorized signatories.

How to Apply or Bid

Only those Eligible Investors, as set out in Annexure I "*Term Sheet*" and Chapter 6 "*Regulatory Disclosures*", as permitted by applicable law, are permitted to apply or bid for the relevant Tranche Issue.

Subject to Applicable Law, only Eligible Investors are permitted to apply and bid for the relevant Tranche Issue.

Eligible Investors should refer the Listed NCDs Operational Circular and BSE Operational Guideline for issuance of debt securities on private placement basis through an electronic book mechanism as available on the website of BSE. Eligible Investors will also have to complete the mandatory KYC verification process. Eligible Investors should refer to the Listed NCDs Operational Circular and BSE Operational Guideline in this respect.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in the relevant Tranche Issue of Debentures. Without prejudice to the aforesaid, where the selection of the Eligible Investors is required to be done pursuant to Listed NCDs Operational Circular and BSE Operational Guideline, only those persons, who are registered on the BSE EBP Platform and are eligible to make bids for Debentures under each Series, of the Issuer and who are Eligible Investors in terms of the Listed NCDs Operational Circular and BSE EBP Guideline shall be considered as "identified persons" for the purposes of Section 42 (2) of the Companies Act, to whom the Issuer shall make private placement of the Debentures under each Series and only such "identified persons" shall receive a direct communication from the Issuer with offer to subscribe to the Debentures under each Series and only such "identified persons" shall be entitled to subscribe to the Debentures under each Series.

All Eligible Investors are required to check and comply with Applicable Law(s) including the relevant rules or regulations or guidelines applicable to them for investing in the Tranche Issue of Debentures under each Series. Eligible Investors are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Eligible Investors ought to seek independent legal and regulatory advice in relation to the laws applicable to them. The Issuer is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

The Tranche Issue details shall be entered on the BSE EBP Platform by the Issuer at least 2 (two) Business Days prior to the Issue Opening Date, in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline.

The Tranche Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the BSE EBP Platform, at least 1 (One) Business Day before the start of the Issue Opening Date for the relevant Tranche Issue.

Some of the key guidelines in terms of the current Listed NCDs Operational Circular and BSE EBP Guideline on issuance of securities on private placement basis through an EBP mechanism, are as follows:

(i) **Bidding Process**

(a) The bidding process on the BSE EBP Platform shall be on an anonymous order driven system.

(b) Investors should refer to the BSE EBP Guidelines in respect of the bidding process.

(ii) **Modification of Bid**

(a) Eligible Investors may note that modification of bid is allowed during the bidding period.

(b) However, in the last 10 (ten) minutes of the bidding period, revision of bid is only allowed for:

(A) downward revision of coupon / spread or upward modification of price; and/or
(B) upward revision in terms of the bid size.

(iii) **Cancellation of Bid for each Tranche Issue**

Investors may note that cancellation of bid is allowed during the bidding period. However, in the last 10 (ten) minutes of the bidding period, no cancellation of bids is permitted.

(iv) **Multiple Bids for each Tranche Issue**

Investors may note that multiple bids are permitted. An Arranger can bid on behalf of multiple participants, subject to the limits of more than 5% (five per cent.) of the base issue size for the relevant Tranche Issue or INR 100,00,00,000 (Rupees One Hundred Crores), whichever is lower (or such revised limits as may be specified in the Listed NCDs Operational Circular and BSE EBP Guideline from time to time), for each Eligible Investor.

(v) **Manner of Allotment for each Tranche Issue**

The Allotment will be done on uniform yield basis in line with the BSE EBP Guideline and the Listed NCDs Operational Circular.

(vi) **Manner of Settlement for each Tranche Issue**

Settlement of each Tranche Issue will be done through ICCL and the account details are given in the section on Payment Mechanism of the Shelf Placement Memorandum.

(vii) **Settlement Cycle**

The process of pay-in of funds by investors and pay-out to the Issuer will be done in accordance with the relevant Tranche Placement Memorandum.

(viii) **Offer or Issue of executed Private Placement Offer Letter to successful Eligible Investors**

The signed copy of the Private Placement Offer Letter along with the Application Form will be issued to the successful Eligible Investors for each Tranche Issue, who are be required to complete and submit the Application Form to the Issuer in order to accept the offer of the Debentures for each Series.

No person other than the successful Eligible Investors for each Tranche Issue to whom the Private Placement Offer Letter has been issued by Issuer may apply for the Tranche Issue through the Private Placement Offer Letter. Any Application Form received from a person other than those specifically addressed will be invalid.

Only Eligible Investors identified by the Issuer may apply for the Debentures for each Series by completing the Application Form in the prescribed format in block letters in English as per the instructions contained therein. The minimum number of Debentures for each Series that can be applied for and the multiples thereof shall be set out in the Application Form.

No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the Eligible Investor's bank, type of account and account number must be duly completed by the applicant. This is required for the Eligible Investor's own safety and these details will be printed on the refund orders and/or redemptions warrants.

The Eligible Investors should transfer payments required to be made in any relation by EFT/RTGS, to the bank account of the Issuer in accordance with the details mentioned in the Application Form.

However, Eligible Investors for each Series should refer to the Listed NCDs Operational Circular and BSE EBP Guideline as prevailing on the date of the bid in respect of each Tranche Issue.

Bids by the Arranger

The Arrangers as mapped on BSE EPB Platform by the Issuer are allowed to bid in respect of each Tranche Issue on a proprietary, client and consolidated basis. At the time of bidding in respect of each Tranche Issue, the Arranger is required to disclose the following details to the BSE EPB Platform:

(i) Whether the bid is:

(a) proprietary bid; or
(b) a client bid, i.e. being entered on behalf of an Eligible Investor; or
(c) a consolidated bid, i.e., an aggregate bid consisting of proprietary bid and bid(s) on behalf of Eligible Investors.

(ii) For consolidated bids, the Arranger shall disclose breakup between proprietary bid and client bid(s) (i.e. bids made on behalf of Eligible Investors).

(iii) For client bids (i.e. bids entered on behalf of Eligible Investors), the Arranger shall disclose the following:

(a) Names of such Eligible Investors;
(b) Category of the Eligible Investors (whether qualified institutional buyers or non- qualified institutional buyers); and
(c) Quantum of bid of each Eligible Investor.

Provided that the Arranger shall not allowed to bid on behalf of any Eligible Investor if the bid amount exceeds 5% (five per cent.) of the base issue size in respect of each Tranche Issue or INR 100,00,00,000 (Rupees One Hundred Crores), whichever is lower (or such revised limits as may be specified in the Listed NCDs Operational Circular and BSE EBP Guideline from time to time). An Arranger can bid, on behalf of multiple Eligible Investor, subject to the above limits, as may be specified in the Listed NCDs Operational Circular and BSE EBP Guideline.

Withdrawal of Tranche Issue

The Issuer reserves the right to withdraw any Tranche Issue prior to the closing date of the respective Tranche Issue, at its discretion, and including but not limited to the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in Applicable Law, due to pandemic, epidemic, etc., pursuant to the conditions set out under the Listed NCDs Operational Circular and BSE EBP Guideline.

Further, the Issuer shall be permitted to withdraw from the Issue process on the following events:

(i) The Issuer is unable to receive the bids up to the base issue size in respect of each Tranche Issue; or
(ii) A bidder has defaulted on payment towards the Allotment, within stipulated timeframe, due to which the Issuer is unable to fulfil the base issue size in respect of each Tranche Issue; or
(iii) The cut-off yield (i.e. the highest yield at which a bid is accepted) in the relevant Tranche Issue is higher than the estimated cut-off yield (i.e. the yield estimated by the Issuer, prior to opening of the Tranche Issue) disclosed to the EBP, where the base issue size in respect of each Tranche Issue is fully subscribed.

Disclosure of estimated cut-off yield on the BSE EPB Platform to the Eligible Investors, pursuant to closure of the Issue, shall be at the discretion of the Issuer.

If the Issuer has withdrawn the Tranche Issue pursuant to point (iii), where the cut-off yield of the Issue is higher that the estimated cut-off yield disclosed to the BSE EPB Platform, the estimated cut-off yield shall be mandatorily disclosed by the BSE EPB Platform to the Eligible Investors.

However, Eligible Investors should refer to the Listed NCDs Operational Circular and BSE EBP Guideline prevailing on the date of the bid in respect of each Tranche Issue.

Determination of Interest Rate

As set out in the respective Tranche Placement Memorandum and in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline prevailing on the date of the bid in respect of each Tranche Issue.

Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected Applicant will be intimated along with the refund warrant, if applicable. No interest on Application money will be paid on rejected Applications. The Application Form that is not complete in all respects is liable to be rejected and would not be paid any interest on the application money. For further instructions regarding the application for the Debentures for each Tranche Issue, Eligible Investors are requested to read the instructions provided in the Application Form.
Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

(i) Number of Debentures applied for is less than the minimum application size; and
(ii) Debentureholder details as may be required is not given.

Basis of Allocation

Allocation shall be made as approved by the Issuer in accordance with applicable SEBI regulations, Listed NCDs Operational Circular and BSE EBP Guideline, and applicable laws. Post completion of bidding process, the Issuer will upload the provisional allocation on the BSE EPB Platform. Post receipt of details of the successful Eligible Investors, the Issuer will upload the final allocation file on the BSE EPB Platform. For issuances with open bidding, the details of bids shall be disseminated on a real time basis; however, for issuances with closed bidding, the information shall be disseminated after closure of bidding.

The Issuer shall have an option at its sole discretion to retain over-subscription up to the issue size of each Tranche Issue. The Issuer will ensure in the relevant Tranche Placement Memorandum that the green shoe option will not exceed five times the base issue size of the relevant Tranche Issue.

The allotment of valid applications received on the closing day shall be done in the following manner:

(i) If the Tranche Placement Memorandum specifies the Interest payable by the Issuer:

All bids shall be arranged as per ‘price time priority’ basis. Further:

(a) In case of ‘uniform yield allotment’, allotment and settlement value shall be based on the cut-off price determined in the bidding process.

(b) In case of ‘multiple yield allotment’, allotment and settlement value shall be based on the price quoted by each bidder/ allottee in the bidding process.

(ii) If the Tranche Placement Memorandum specifies that the Interest will be discovered during bidding:

All bids shall be arranged in accordance with “yield priority” basis. Further,

(a) in case of in case of ‘uniform yield allotment’, allotment and settlement value shall be based on the face value;
(b) in case of ‘multiple yield allotment’, allotment and settlement value shall be based on the price adjusted as per the coupon / spread quoted by each Eligible Investor in the bidding process.

(iii) Where two or more bids have the same coupon/price/spread and time, then allotment shall be done on “pro-rata” basis.

Anchor Portion within the Base Issue Size for each Tranche Issue

As set out in the relevant Tranche Placement Memorandum.

Payment Mechanism

The payment shall be done through the electronic bidding process mechanism of the Securities Exchange Board of India and provided by the BSE and requiring payment to the designated account of ICCL ("**Designated Bank Account**"). Payment of subscription money for the Debentures should be made by the successful Eligible Investor as notified by the Issuer (to whom the Issuer has given the offer by issue of a serially numbered and specifically addressed Private Placement Offer Letter). The details of the Designated Bank Account will be provided by BSE to the successful Eligible Investors separately and will also be available on the electronic bidding platform of the BSE.

Successful Eligible Investors should do the funds pay-in for the subscription amount to the Designated Bank Account by way of electronic transfer of funds through RTGS for credit on or before 10:30 a.m. on the Pay In Date ("**Pay In Time**") in the Designated Bank Account of the ICCL. All payments must be made through RTGS to the Designated Bank Account, whose details are mentioned on the electronic bidding platform of the BSE.

Successful Eligible Investors should ensure to make payment of the subscription amount for the Debentures from their same bank account which is updated by them in the electronic bidding platform of the BSE while placing the bids. In case of a mismatch in the bank account details between electronic bidding platform of the BSE and the bank account from which payment is done by the successful Eligible Investor, the payment would be returned.

Note: In the event of failure of any successful Eligible Investor to complete the funds pay-in by the Pay In Time or the funds are not received in the Designated Bank Account by the Pay In Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful Eligible Investor. Funds pay-out on will be made by ICCL to the bank account of the Issuer.

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The entire amount of INR 1,00,000 (Rupees One Lakh) per Debenture is payable on application only through RTGS. Applications should be for the number of Debentures applied by the Eligible Investor.

PLEASE NOTE FOR APPLICANTS APPLYING THROUGH RTGS, THE NAME OF THE APPLICANT AND THE APPLICATION FORM NUMBER MUST BE INCLUDED IN THE RTGS INSTRUCTION SLIP FOR TRANSFER OF FUNDS.

Applications not completed in the manner required are liable to be rejected.

The date of subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account, as listed above.
Note: In case of failure of any successful Investor to complete the funds pay-in by the Pay-in Time or the funds are not received in the Designated Bank Account of the clearing corporation of the relevant Exchanges by the Pay-in Time for any reason whatsoever, the bid will liable to be rejected and the Issuer and/or the Arranger shall not be liable to the successful Investor.

Further, in case of non-fulfillment of pay-in obligations by Eligible Investors, such Eligible Investors shall be debarred from accessing the bidding platform across all EBPs for a period of 30 (thirty) days from the date of such default. In case of 3 (three) instances of non-fulfillment of pay-in obligations, across all EBPs, by Eligible Investors for whom an Arranger has bid, then such Arranger shall be debarred from accessing all EBPs, for a period of 7 (seven) days from the date of the such third or subsequent default.

Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issuer shall instruct the Depositories on the Pay In Date, and the Depositories shall accordingly credit the allocated Debentures to the demat account of the successful Eligible Investor.

The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay In Date. On the Pay In Date, the Depositories shall confirm to ICCL (clearing corporation of the BSE) the transfer of Debentures in the demat account(s) of the successful Eligible Investors. Upon confirmation from the Depository, the ICCL shall transfer funds to the bank account designated by the Issuer.

Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer for each Series of Debentures on a several basis, the Issuer shall disclose the total issue size, interest rate, ISIN, number of successful Eligible Investor, category of the successful Eligible Investor(s), etc., in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline. The BSE EBP Platform shall upload such data, as provided by the Issuer, on its website to make it available to the public.

Terms of Payment

The full-face value of the Debentures applied for is to be paid along with the Application Form as set out above.
Acknowledgements

No separate receipts will be provided by the Issuer for the Application money.

Deemed Date of Allotment

The cut-off date declared by the Issuer from which all benefits under the Debentures including Interest on the Debentures shall be available to the Debenture Holders is the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Issuer reserves the right to keep multiple allotment date(s)/deemed date(s) of allotment at its sole and absolute discretion without any notice. If in case, the Issue Closing Date changes (i.e. preponed/postponed), then the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer, at its sole and absolute discretion.

Letter(s) of Allotment/ Debenture Certificate(s)

The beneficiary account of the Investor(s) with NSDL or CDSL or Depository Participant will be given initial credit within 2 (Two) days from the Deemed Date of Allotment. The initial credit in the account will be akin to a letter of Allotment. On completion of the all-statutory formalities, such credit in the account will be akin to a Debenture certificate.

Allotments or Refunds

Allotment of the Debentures shall be made in dematerialized form to the demat accounts in accordance with the details provided in the Application Form. Pending Allotment, all monies received for subscription of the Debentures shall be kept by the Issuer and be utilized only for the purposes permitted under the relevant Tranche Placement Memorandum. In case no demat details are provided in the Application Form or such details are incomplete or insufficient, the Issuer reserves the right to hold the Application money until such details are provided accurately.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the Application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the money to the extent of such excess, if any.

If any application is rejected in full, the whole of the Application money received, and if the application is rejected in part, the excess Application money, after adjustment of Application money if any, will be refunded to the Applicant in its bank account mentioned with Depositories. In the event the Registrar is unable to retrieve the Applicant's bank account details from the Depositories or is unable to credit the amount to the Applicant's bank account as above, the Issuer shall make the refund to the Applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft or pay order or bankers cheques or such other similar mode shall be dispatched by registered post or speed post.

However, the Issuer shall not be liable to pay any interest on any Application monies or refunds, except as required by applicable law.

Interest on Application Money

As the Tranche Issue will be pursuant to the Listed NCDs Operational Circular and BSE EBP Guideline, the Pay-In Date and the Deemed Date of Allotment fall on the same date, and accordingly payment of interest on application money is not required under law. Further, no interest on application money will be payable in case the Tranche Issue is withdrawn by the Issuer in accordance with the Listed NCDs Operational Circular and BSE EBP Guideline.

Fictitious applications

Any person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other person in a fictitious name, shall be punishable under the extant laws.

Dematerialisation

The Issuer is issuing the Debentures only in the dematerialized form and hence there is no physical holding of the Debentures being issued in terms of the Shelf Placement Memorandum and the relevant Tranche Placement Memorandum. The Issuer shall issue the Debentures in dematerialized form and has made necessary arrangements with NSDL and CDSL for the same and shall apply for the ISIN code for the Debentures. Investors shall hold the Debentures in demat form and deal with the same in accordance with the provisions of the Depositories Act and the rules as notified by NSDL and/or CDSL, from time to time. Investors should, therefore, mention their DP's name, DP's identification number and beneficiary account number at the appropriate places in the Application Form. The Investor(s) has the option to hold the said Debentures in dematerialized or in physical form.

Investors who have been allotted the Debentures in dematerialized form can convert the same to physical form later by applying for the same to the Issuer. The Issuer undertakes that it shall use a common form or procedure for transfer of the Debentures issued under the terms of the Shelf Placement Memorandum and the relevant Tranche Placement Memorandum, if at a later stage there is some holding in the physical form due to the Depository giving the re-materialisation option to any Investor.

Disclaimer: Please note that only those persons to whom this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum and the Private Placement Offer Letters have been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an investor is required to provide all those documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may, but is not bound to, revert to any investor for any additional documents / information, and can accept or reject an application as it deems fit. Provisions in respect of investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc. governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Issuer required to check or confirm the same.

SECTION 9: UNDERTAKING

(1) UNDERTAKINGS IN RELATION TO THE ISSUER BEING ELIGIBLE UNDER THE SEBI DEBT LISTING REGULATIONS

The Issuer hereby undertakes and confirms that the following (as set out in Regulation 5 of the SEBI Debt Listing Regulations) are not applicable to the Issuer as on the date of this Shelf Placement Memorandum:

(a) the Issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board;
(b) any of the promoters or directors of the Issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;
(c) the Issuer or any of its promoters or directors is a wilful defaulter;
(d) any of the promoters or whole-time directors of the Issuer is a promoter or whole-time director of another company which is a wilful defaulter;
(e) any of its promoters or directors is a fugitive economic offender; or
(f) any fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the Issuer at the time of filing this Shelf Placement Memorandum.

(2) UNDERTAKING PURSUANT TO PARAGRAPH 2.3.24 of SCHEDULE II OF THE SEBI DEBT LISTING REGULATIONS

The Issuer undertakes and states as follows:

(a) Eligible Investors are advised to read the risk factors carefully before taking an investment decision in the relevant Tranche Issue. For taking an investment decision, Eligible Investors must rely on their own examination of the Issuer and the relevant Tranche Issue including the risks involved. The Debentures have not been recommended or approved by the any regulatory authority in India, including the SEBI nor does SEBI guarantee the accuracy or adequacy of this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum. Specific attention of Eligible Investors is invited to Section 3 (*Risk Factors*) of this Shelf Placement Memorandum;

(b) the Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum contains / will contain all information with regard to the Issuer and the Tranche Issue, that the information contained in this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and

(c) the Issuer has no side letter with any debt securities holder except the one(s) disclosed in this Shelf Placement Memorandum and the relevant Tranche Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

(3) DISCLOSURES PURSUANT TO THE SEBI DEBENTURE TRUSTEE OPERATIONAL CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Not applicable as the Debentures are unsecured.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

Not applicable as the Debentures are unsecured.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

Not applicable as the Debentures are unsecured.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

Not applicable as the Debentures are unsecured.

(e) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system**

Not applicable as the Debentures are unsecured.

(f) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**

Not applicable as the Debentures are unsecured.

(g) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**

Not applicable as the Debentures are unsecured.

(i) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**

Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(k) **Process of due diligence carried out by the debenture trustee**

The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended.

(l) **Due diligence certificate as per the format specified in Schedule IVA of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021**

Enclosed as ANNEXURE VII.

(4) **OTHER UNDERTAKINGS**

The Issuer hereby confirms that:

(a) the Issuer is eligible and in compliance with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, to make the private placement of debt instruments;

(b) neither the Issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (ss) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as ameded.

For **Shriram Housing Finance Limited**

SUBRAMANIAN JAMBUNATHAN Digitally signed by SUBRAMANIAN JAMBUNATHAN Date: 2023.05.15 19:54:25 +05'30'

Name: Subramanian Jambunathan
Title: Managing Director and CEO
Date: May 15, 2023

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 10: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

The form of this Private Placement Offer Letter will be updated at the time of each Tranche Issue.

Addressed to: [__]
Serial No: [__]

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

(Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014)

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of listed, rated, unsecured, subordinated, Tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an issue size as set out in the relevant Tranche Placement Memorandum ("Debentures" or "NCDs") on a private placement basis (the "Tranche Issue").

PART A

10.1 General Information:

(a) **Name, address, website, if any, and other contact details of the Issuer, indicating both registered office and the corporate office:**

Issuer / Company:	Shriram Housing Finance Limited (the "**Issuer**" or "**Company**" or "**SHFL**")
Registered Office:	123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Corporate Office:	Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India
Telephone No.:	022 4241 0400
Website:	www.shriramhousing.in
Contact Person:	Puja Shah, Company Secretary
Email:	sect@shriramhousing.in

(b) **Date of Incorporation of the Issuer:**

November 9, 2010.

(c) **Business carried on by the Issuer and its subsidiaries with the details of branches or units, if any;**

The Issuer was incorporated to provide longer tenured home loan, loan against property and construction finance loans products to Shriram Group of customers as well as other customers and use this entity as means of cross-selling other products within the Shriram Group. Currently, the Issuer is engaged in the business of providing loans for construction, repair, renovation, purchase of residential property, loans against property and construction finance. Until now, the Issuer has predominantly catered to self-employed borrowers and informed salaried customers in tier II and tier III cities and the focus has been on lower income segment with an average ticket size of around INR 17 lakh. In the last four years until Financial Year 2023, the Issuer's AUM have grown at a CAGR of 44% from FY 2019-20 to FY 2022-23 to reach INR 8,047 Crore as on March 31, 2023.

Branch details:

As of the date of the Shelf Placement Memorandum, the Issuer has 134 branches.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Subsidiary details:

As of the date of the Shelf Placement Memorandum, the Issuer does not have any subsidiaries.

(d) **Brief particulars of the management of the Issuer:**

BRIEF PROFILE OF THE DIRECTORS OF THE ISSUER

Sl. No.	Name of the Director and Designation	Brief Profile
1	Mr. Subramanian Jambunathan Managing Director and CEO	Mr. Subramanian moved in as MD & CEO of Shriram Housing in Nov 2018. He has an experience of over two decades in the banking and financial services sector across organizations like HSBC, Citibank & ANZ Grindlays. He has successfully led independent businesses with complete P&L accountability for over a decade, and has served in senior management positions for diverse functions ranging from business process, reengineering to heading businesses. He joined the Shriram Group in the year 2010 as an Executive Director in Shriram City and has since then been involved in building and growing the SME lending business before moving into the current role. Subramanian holds a Management degree from IIM – Bangalore.
2	Mr. Srinivasa Chakravarti Yalamati Non-Executive, Non Independent Director	Mr. Y.S. Chakravarti is a Non-Executive, Non-Independent Director on the Board of SHFL. He holds a Bachelor's degree in Commerce and is an astute retail finance professional with proven business skills and leadership ability. He has worked in various assignments in the field of financial services for over the last 25+ years. While being the MD & CEO of Shriram City Union Finance Ltd., he also serves the Boards of Shriram Chits Pvt. Ltd. And Shriram Chits (Maharashtra) Ltd.
3	Mr. Venkataraman Murali Non-Executive, Independent Director	Mr. Venkataraman Murali is a Non-Executive, Independent Director on the Board. He holds degree of Bachelors of Commerce, from Vivekananda College, Chennai. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India and has to his credit more than three decades of experience in the relevant fields. He has been elected as Central Council Member of the Institute of Chartered Accountants of India for four terms in succession for the periods from 2004-2016 and secured a sixth consecutive record win in ICAI elections from the Southern Region. He has been on the Board since July 2013.
4	Ms. Lakshminarayanan Priyadarshini Non-Executive Independent Director	Ms. Priyadarshini is a Non-Executive, Independent Director on the Board of SHFL. She holds a Post Graduate Diploma in Business Management (Marketing & Finance) and has a B.A. Honours (Economics) degree from Delhi University. In a career spanning over two decades she has a diverse work experience with local and global players such as HSBC, ABN AMRO, ICICI Bank, Reliance Industries, GE India, IFCI and ONICRA. She has a wide experience in a variety of leadership roles in Business Development, Corporate & Retail sales, Corporate Banking and Key Account Management Business Strategy. She has been on the Board since October 2018.

BRIEF PROFILE OF THE KEY MANAGERIAL PERSONNEL

Sl. No.	Name of the KMP and Designation	Brief Profile
1	Mr. G S Agarwal Chief Financial Officer	Mr. G. S. Agarwal is a dynamic professional with over 26 years of experience in Fund Mobilisation, Treasury Management, Planning & Strategy, Budgeting, Accounts, Compliance, MIS and Operations. He has worked in various areas in conceptualizing & executing financial procedures with Working Capital Management, Profit Monitoring and building Internal Financial Controls. His last role was with Magma Group as Group Treasury Head where he was responsible for Treasury Function for entire group along with additional role of CFO for Magma Housing Finance. He is a rank holder Chartered Accountant and enjoys excellent relationship with various Banks and Financial Institutions along with debt Capital market.
2.	Ms. Puja Shah Company Secretary and Compliance Officer	Ms. Puja Shah is qualified Company Secretary from Institute of Companies Secretaries of India having overall experience of around 7 years post qualification into secretarial matters including drafting of various policies and implementation of corporate governance practices. Her last role was with NABSAMRUDDHI Finance Ltd, subsidiary of NABARD.

(e) **Name, addresses, Director Identification Number (DIN) and occupations of the directors**:

S. No.	Name	Designation	DIN	Address	Occupation
1	Mr. Srinivasa Chakravarti Yalamati	Non-Executive, Non Independent Director	00052308	Plot No. 302 Heritage Banjara Apartment Road No.3, Panchavati Society, Banjara Hills, Hyderabad – 500 034	Service
2	Mr. Venkataraman Murali	Non-Executive, Independent Director	00730218	Commanders Court CCC034 C Block Flat 034 49, Ethiraj Salai, Egmore, Chennai 600 008	Professional
3	Mr. Subramanian Jambunathan	Managing Director and CEO	00969478	A/204, Sky Lark Condominium, New Kantwadi Pali Hill, Bandra (W), Mumbai - 400 050	Service
4	Ms. Lakshminarayanan Priyadarshini	Non-Executive, Independent Director	06592671	House No. 33, First Floor Paschimi Marg Vasant Vihar South West Delhi 110057	Professional

10.2 MANAGEMENT PERCEPTION OF RISK FACTORS

Please refer to Section 3 of the Shelf Placement Memorandum.

10.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of the Shelf Placement Memorandum.

10.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

(i) Statutory Dues: Nil
(ii) Debentures and interest thereon: Nil
(iii) Deposits and interest thereon: Nil
(iv) Loan from any bank or financial institution and interest thereon: Nil

In respect of statutory dues, there is no material litigation which will impact the business of the Issuer. The Issuer has not defaulted on payments in respect of (i) debentures and interest thereon, (ii) deposits and interest thereon, and (iii) loan from any bank or financial institution and interest thereon.

10.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Issuer, if any, for the private placement offer process

Name: Puja Shah
Designation: Company Secretary and Compliance Officer
Address: Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Mumbai- 400 051
Phone No.: (+91 22) 4241 0400.
Email: sect@shriramhousing.in

10.6 Any default in annual filing of the Issuer under the Companies Act, 2013 or the rules made thereunder

There has been no default in annual filing of the Issuer under the Companies Act and the rules made thereunder.

10.7 Particulars of the Offer

Financial position of the Issuer for the last 3 (three) financial years	Please refer to **PART A** below.

Date of passing of Board Resolution	Board resolution dated April 25, 2022 read with the relevant resolution of the banking and finance committee for the Tranche Issue.
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated June 7, 2022 and under Section 180 (1) (c) of the Companies Act, 2013 dated June 7, 2022.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Rupees One Lakh) with an issue size as set out in the Private Placement Offer Letter for each Tranche Issue ("Debentures" or "NCDs") on a private placement basis (the "Tranche Issue").
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of INR 1,00,000 (Rupees One Lakh) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of INR 1,00,000 (Rupees One Lakh) per Debenture
Relevant date with reference to which the price has been arrived at (Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Issuer is scheduled to be held)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).
The class or classes of persons to whom the allotment is proposed to be made	Please refer to '*Eligible Investors*' under Section 5.35 of the Shelf Placement Memorandum.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (Not required in case of issue of non-convertible debentures)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on the date set out in the relevant Private Placement Offer Letter for each Tranche Issue ("**Deemed Date of Allotment"**), and the Issuer will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("**Debenture Holders"**) within the time period prescribed in the SEBI Listing Timelines Requirements, each in accordance with the master debenture trust deed ("**Master DTD"**), and the supplement to the Master DTD to be entered into between the Issuer and the debenture trustee ("**Debenture Trustee"**).
The names of the proposed allottees and the percentage of post private placement capital that may be held by them (Not applicable in case of issue	Not applicable as the Debentures are non-convertible debt instruments which is being issued at face value of INR 1,00,000 (Rupees One Lakh).

<table>
<tr><td>of non-convertible debentures)</td><td></td></tr>
<tr><td>The change in control, if any, in the Issuer that would occur consequent to the private placement</td><td>No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.</td></tr>
<tr><td>The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price</td><td>Allotment on preferential basis/private placement/rights issue made to entities during financial year 2023-24, shall be set out in the relevant Private Placement Offer Letter for each Tranche Issue.
<table>
<tr><th>S. No.</th><th>Number of securities allotted</th><th>Type of securities allotted</th><th>Face value of each security (in INR)</th><th>Aggregate value of securities (in INR)</th><th>Preferential basis/private placement/rights issue</th></tr>
<tr><td>1.</td><td>2500 to :
a. NIPPON INDIA FIXED HORIZON FUND
b. NIPPON INDIA BALANCED ADVANTAGE FUND</td><td>Non-convertible debentures</td><td>1,00,000</td><td>25,00,00,000</td><td>Private Placement</td></tr>
</table></td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).</td></tr>
<tr><td>Amount, which the Issuer intends to raise by way of proposed offer of securities</td><td>As set out in the Private Placement Offer Letter for each Tranche Issue.</td></tr>
<tr><td>Terms of raising of securities</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>As set out in the Private Placement Offer Letter for each Tranche Issue.</td></tr>
<tr><td>Rate of Interest:</td><td>As set out in the Private Placement Offer Letter for each Tranche Issue.</td></tr>
<tr><td>Mode of Payment</td><td>Electronic clearing services (ECS)/credit through RTGS system/funds transfer. Wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the account details set out in Section 8.9 of this Shelf Placement Memorandum.</td></tr>
<tr><td>Mode of Repayment</td><td>Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr>
</table></td></tr>
<tr><td>Proposed time schedule for which the Issue/Offer Letter is valid</td><td>Issue Open Date: As set out in the Private Placement Offer Letter for each Tranche Issue.
Issue Closing Date: As set out in the Private Placement Offer Letter for each Tranche Issue.
Pay-in Date: As set out in the Private Placement Offer Letter for each Tranche Issue.
Deemed Date of Allotment: As set out in the Private Placement Offer Letter for each Tranche Issue.</td></tr>
<tr><td>Purpose and objects of the Issue/Offer</td><td>As set out in the Private Placement Offer Letter for each Tranche Issue.</td></tr>
<tr><td>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</td><td>Nil.</td></tr>
<tr><td>Principal terms of assets charged as security, if applicable</td><td>Not applicable as the Debentures are unsecured.</td></tr>
</table>

The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Issuer and its future operations	NIL

The pre-issue and post-issue shareholding pattern of the Issuer in the following format

S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	Percentage (%) of shareholding	No. of Shares held	% of share holding
A	**Promoters' holding**	276551106	84.82%	276551106	84.82%
	Indian				
1	Individual	-	-	-	-
	Bodies Corporate	276551106	84.82%	276551106	84.82%
	Sub-total	276551106	84.82%	276551106	84.82%
2	**Foreign promoters**				
	Sub-total (A)	276551106	84.82%	276551106	84.82%
B	**Non-promoters' holding**				
1.	Institutional Investors	-	-	-	-
2.	Non-Institutional Investors	-	-	-	-
	Private Corporate Bodies including Foreign Companies	48720000	14.94%	48720000	14.94%
	Directors and relatives	750000	0.23	750000	0.23
	Indian public	-	-	-	-
	Others (including Non-resident Indians and Non-Promotor- Non Public shareholding)	31667	0.00	31667	0.00
	Sub-total (B)	49501667	15.18%	49501667	15.18%
	GRAND TOTAL	**32,60,52,779**	**100%**	**32,60,52,779**	**100%**

10.8 Mode of payment for subscription

(x) Other Banking Channels

10.9 Disclosure with regard to interest of directors, litigation, etc

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The Promoter, Directors or Key Managerial Personnel of the Issuer do not have any financial or other material interest in the Issue of Debentures.
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Issuer during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	There are no such events which would have a material impact on the Issue or the Investor's decision to invest in the Debentures.

<table>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>No remuneration has been paid to the Independent Directors except sitting fees for attending Board and Committee meetings during the last 3 (Three) Financial Years and the current year. All independent non-executive Directors are entitled for sitting fees for attending each meeting of the Board and its Committees. The details of the sitting fees are as follows:
(INR. in Lakh)
<table>
<tr><th>Director</th><th>2022-23</th><th>2021-22</th><th>2020-2021</th></tr>
<tr><td>Independent Director</td><td>***23.01</td><td>22.35</td><td>12.26</td></tr>
</table>
***The details of the sitting fees for the current financial year (2022-2023) has not been determined by the Issuer as on the date of this Shelf Placement Memorandum.

The remuneration paid to the Managing Director is as follows:
(INR in Crore)
<table>
<tr><th>Director</th><th>2022-23</th><th>2021-2022</th><th>2020-2021</th></tr>
<tr><td>Managing Director</td><td>2.46</td><td>2.14</td><td>1.86</td></tr>
</table></td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to PART C below.</td></tr>
<tr><td>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remark</td><td>There are no qualifications, reservations and adverse remarks expressed by the statutory auditors of the Issuer in the last five Financial Years immediately preceding the year of issue of the Shelf Placement Memorandum.</td></tr>
<tr><td>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this private placement offer cum application letter in the case of the Issuer and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Issuer and all of its subsidiaries</td><td>There have not been any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of the date of the Shelf Placement Memorandum in the case of the Issuer. Further, there have not been any prosecutions filed under the Companies Act (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the date of the Shelf Placement Memorandum.</td></tr>
</table>

Details of acts of material frauds committed against the Issuer in the last 3 (three) years, if any, and if so, the action taken by the Issuer	There has not been any incident of material frauds committed against the Issuer during the last three financial years preceding the date of the Shelf Placement Memorandum.

10.10 Financial Position of the Issuer as on March 31, 2023

The capital structure of the Issuer in the following manner in a tabular form

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Share Capital** / **Aggregate Nominal Value** **Authorised** Authorised Capital: INR 400,00,00,000 **Equity Share Capital** **400,00,00,00** equity shares of INR. 10/- each: INR 400,00,00,000 **TOTAL**: INR 400,00,00,000 **Issued, Subscribed and Paid-up Share Capital**: INR 326,04,61,120 **Equity Share Capital** **32,60,46,112** equity shares of INR. 10/- each: INR 326,04,61,120 **TOTAL**: INR 326,04,61,120 Authorised Capital: INR 400,00,00,000 Issued, Subscribed and Paid-up Capital: INR 326,04,61,120
Size of the Present Offer	Aggregate Shelf Limit of INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).
Paid-up Capital: **a. After the offer*:** **b. After the conversion of convertible instruments (if applicable)**	INR 326,04,61,120 as on March 31, 2023. The paid up capital after the offer will be set out in the relevant Tranche Placement Memorandum. Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share Premium Account*: **a. Before the offer:** **b. After the offer:**	a. INR 5,09,84,19,910 b. As set out in the relevant Tranche Placement Memorandum

** Note: Details are as on March 31, 2023. As the Shelf Issue is in respect of Debentures, there will be no change in the paid up capital or the share premium account subsequent to each Tranche Issue of Debentures. The Issuer will update the relevant Tranche Placement Memorandum for changes, if any, in the paid up capital and share premium account as on the issue opening date of the relevant Tranche Issue.*

Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	No. of equity shares	Face value	Issue Price	Form of Consideration	Nature of allotment	Cumulative			Remarks
						No. of equity shares	Equity share capital (INR)	Equity share Premium (in INR)	
25.11.2010	1006	10	10	Cash	Subscription to M&A	1006	10060	0	Equity
28.12.2010	2048994	10	10	Cash	Preferential	2050000	20500000	0	Equity
22.02.2011	450000	10	10	Cash	Preferential	2500000	25000000	0	Equity
20.06.2011	500000	10	10	Cash	Preferential	3000000	30000000	0	Equity
29.07.2011	300000	10	10	Cash	Preferential	3300000	33000000	0	Equity
27.08.2011	1500000	10	10	Cash	Preferential	4800000	48000000	0	Equity
07.02.2012	5000000	10	10	Cash	Preferential	9800000	98000000	0	Equity
16.03.2012	5000000	10	10	Cash	Preferential	14800000	148000000	0	Equity
03.04.2012	55200000	10	10	Cash	Preferential	70000000	700000000	0	Equity
03.04.2012	21500000	10	35	Cash	Preferential	91500000	915000000	537500000	Equity

19.07.2013	95440000	10	10	Cash	Preferential	186940000	1869400000	0	Equity
19.07.2013	27220000	10	35	Cash	Preferential	214160000	2141600000	680500000	Equity
14.05.2021	4,44,44,445	10	35	Cash	Rights Issue	258604445	2586044450	1555555575	Equity
13.10.2021	66666667	10	35	Cash	Rights Issue	325271112	3252711120	2333333345	Equity
30.08.2022	25,000	10	10	Cash	ESOP	325296112	3252961120	0	ESOP
31.12.2022	6,00,000	10	10	Cash	ESOP	325896112	3258961120	0	ESOP
31.01.2023	1,50,000	10	10	Cash	ESOP	326046112	3260461120	0	ESOP

The number and price at which each of allotments were made by the Issuer in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case

1) Allotment dated August 30, 2022: 25,000 shares of INR 10 each under ESOP for cash.

2) Allotment dated December 31, 2022: 6,00,000 shares of INR 10 each under ESOP for cash.

3) Allotment dated January 31, 2023: 1,50,000 shares of INR 10 each under ESOP for cash.

Profits of the Issuer, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter

FY	PBT (in INR. Cr)	PAT (in INR. Cr)
FY 2023	169.96	137.75
FY 2022	109.14	80.34
FY 2021	84.24	62.38

Dividends declared by the Issuer in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

Year	2023	2022	2021
Dividend Declared	Nil	Nil	Nil
Interest Coverage Ratio	1.43	1.39	1.4

A summary of the financial position of the Issuer as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter

Please refer **CHAPTER A** to this Private Placement Offer cum Application Letter.

Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter

Please refer **CHAPTER B** to this Private Placement Offer cum Application Letter.

Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Issuer

The financial statements, for the Financial Year ended March 31, 2023, have been prepared under IND AS notified under Section 133 of the Companies Act, 2013, and the Companies (Indian Accounting Standard) Rules 2015, as amended by the Companies (Indian Accounting Standard Amendments) Rules 2016 for the year ended March 31, 2023. Accordingly, the Issuer has prepared financial statements which comply with IND AS applicable for periods ending on March 31, 2023, together with the comparative period data as at and for the year ended March 31, 2022. Corresponding adjustments pertaining to the comparative previous year as prescribed in the financial results have been restated / reclassified in order to confirm to the presentation for the Financial Year ended March 31, 2023.

10.11 PART B (To be filed by the Applicant)

(i) Name:

(ii) Father's name:

(iii) Complete Address including Flat / House Number, Street, Locality, Pin Code:

(iv) Phone number; if any:

(v) Email ID, if any:

(vi) PAN Number:

(vii) Bank Account details:

(viii) Tick whichever is applicable:

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-☐ ;

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- ☐

_____

Signature

_____

Initial of the Officer of the Issuer designated to keep the record

10.12 DECLARATION (To be provided by the Directors)

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

C. the monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Issuer *vide* resolution number 14 dated April 25, 2022 read with the resolution of the banking and finance committee of the Board of Directors of the Issuer dated January 11, 2023, to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SHRIRAM HOUSING FINANCE LIMITED**

_____
Authorised Signatory
Name: [●]
Title: [●]
Date: [●]

Enclosed
Chapter A - A summary of the financial position of the Issuer as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter
Chapter B - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Offer Letter
Chapter C - Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided
Optional attachments, if any

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Please refer to Annexure V of this Shelf Placement Memorandum.

RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE

Shriram Housing Finance Limited
Notes to financial statements for the period ended March 31, 2023

Note 48: Related party disclosures

Sr Nos	Relationship	Name of the party
1	Promoter	Shriram Finance Limited *
2	Promoter group	Shriram Value Services Limited
		Novac Technology Solutions (P) Limited
		Shriram Fortune Solutions Limited
		Shriram General Insurance Company Limited
		Shriram Insight Share Brokers Limited
		Shriram Life Insurance Company Limited
		Shriram Asset Management Company Limited
		Shriram Financial Products Solutions (Chennai) Private Limited
		Insight Commodities and Futures Private Limited (Upto 18th May, 2022)
		Shriram Financial Ventures (Chennai) Private Limited
		Shriram Credit Company Limited
		Shriram Overseas Investments Private Limited
		Shriram Wealth Limited
		Bharath Investments Pte. Ltd., Singapore
		SGI Philippines General Insurance Co. Inc.
		Novac Digital Service Private Limited
		Shriram LI Holdings 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
		Shriram GI Holdings Private Limited
		Shriram Investment Holdings Limited
		Valiant Mauritius Partners FDI Ltd. (VMPL)
		Shriram Automall India Limited
		Cartradeexchange Solutions Private Limited
		Adroit Inspection Service Private Limited
		Augeo Asset Management Private Limited
3	Key Management Personnel	Mr. Subramanian Jambunathan
		Mr. Venkataraman Murali
		Mr. Srinivasa Chakravarthy Yalamati
		Mrs. Lakshminarayanan Priyadarshini
		Mr. Gauri Shankar Agarwal
		Mrs. Puja Shah ***
		Ms Bhavita Ashiyani **
4	Relatives of Key Management Personnel	Mrs. Dharini Mani Subramanian (Spouse of Director Mr. Subramanian Jambunathan)
	(with whom the company has transactions)	Ms. Anusha Subramanian (Daughter of Director Mr. Subramanian Jambunathan)
		Mr. Jambunathan Krishnan (Brother of Director Mr. Subramanian Jambunathan)
		Mrs. Priyadarshini Murali (Spouse of Director Mr. Venkataraman Murali)
		Mr. Vaidynathan Venkataraman (Father of Director Mr. Venkataraman Murali)
		Mrs. Lakshmi Venkataraman (Mother of Director Mr. Venkataraman Murali)
		Mr. M. Abhishek (Son of Director Mr. Venkataraman Murali)
		Mrs. Divya Abhishek (Son's Wife of Director Mr. Venkataraman Murali)
		Mrs. Usha Ramaswamy (Sister of Director Mr. Venkataraman Murali)
		V. Murali HUF (HUF of Director Mr. Venkataraman Murali)
		Mrs. Sujata Yalamati (Wife of Director Mr. Srinivasa Chakravarthy Yalamati)
		Mrs. Rajamannar (Mother of Director Mr. Srinivasa Chakravarthy Yalamati)
		Mr. Y. Shree Bhargav (Son of Director Mr. Srinivasa Chakravarthy Yalamati)
		Ms. Y. Nayana Sri (Daughter of Director Mr. Srinivasa Chakravarthy Yalamati)
		Mrs. S. Aruna (Sister of Director Mr. Srinivasa Chakravarthy Yalamati)
		Mrs. D. Rama Devi (Sister of Director Mr. Srinivasa Chakravarthy Yalamati)
		Mr. Vineet Durani (Spouse of Director Mrs. Lakshminarayanan Priyadarshini)
		Mr. Lakshminarayanan Subhramanian (Father of Director Mrs. Lakshminarayanan Priyadarshini)
		Mrs. Saraswathy (Mother of Director Mrs. Lakshminarayanan Priyadarshini)
		Mr. Anirudh Durani (Son of Director Mrs. Lakshminarayanan Priyadarshini)
		Mrs. Anita Agarwal (Wife of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Mr. Shubham Agarwal (Son of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Mr. Utsav Agarwal (Son of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Gauri Shankar Agarwal HUF (HUF of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Mr. Mahabir Prasad Agarwal (Brother of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Mrs. Asha Mahipal (Sister of Key Managerial Personel Mr. Gauri Shankar Agarwal)
		Mr. Rishit Shah (Spouse of Key Managerial Personel Mrs. Puja Shah)
		Mr. Kirit Shah (Father of Key Managerial Personel Mrs. Puja Shah)
		Mrs. Alka Shah (Mother of Key Managerial Personel Mrs. Puja Shah)
		Mr. Hardik Shah (Brother of Key Managerial Personel Mrs. Puja Shah)
5	Employees' benefit plan	Shriram Housing Finance Company Limited Employees Group Gratuity Fund Trust

"Pursuant to the approval of the Composite scheme of Arrangement and Amalgamation between Shrilekha Business Consultancy Private Limited and Shriram Financial Ventures (Chennai) Private Limited and Shriram Capital Limited and Shriram Transport Finance Company Limited ("STFC") and Shriram City Union Finance Limited ("SCUF") and Shriram LI Holdings Private Limited and Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited and their respective Shareholders by the Hon'ble National Company Tribunal, Chennai vide Common Order dated November 14, 2022 together with Corrigendum Order dated November 17, 2022, , SCUF was merged with STFC. As part of the Scheme the name of STFC has changed to "Shriram Finance Limited" w.e.f 30.11.22.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Shriram Housing Finance Limited

Notes to financial statements for the period ended March 31, 2023

Note 48: Related party Transactions

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022	As at Mar 31, 2023	As at Mar 31, 2022
Remuneration to Directors (Sitting Fees)								
Mr. V Murali					11.50	9.50	11.50	9.50
Ms Lakshminaryanan Priyadarshini					11.51	11.00	11.51	11.00
Equity Contribution -SFL	-	50,000.00					-	50,000.00
Exercised ESOP- Mr.Subramanian Jambunathan	75.00						75.00	
Remuneration to other KMPs							-	-
Employee Benefits - Mr.Subramanian Jambunathan - Short Term Benefit					246.24	214.15	246.24	214.15
Employee Benefits - Mr.Subramanian Jambunathan - Share Based Payment					194.53	80.46	194.53	80.46
Employee Benefits - Mr.Gauri Shankar Agarwal					140.58	85.89	140.58	85.89
Employee Benefits - Mr.Gauri Shankar Agarwal - Share Based Payment					14.75	7.64	14.75	7.64
Employee Benefits - Ms Bhavita Ashiyani					-	12.73	-	12.73
Employee Benefits - Ms Puja R Shah					14.94	2.04	14.94	2.04
Reimbursement of Rent & Expenses								
Rent - SFL	43.61	50.65					43.61	50.65
Rent - SFPS			0.91	1.26			0.91	1.26
Rent - SFSL			0.96				0.96	-
Expenses reimbursements - SFL	26.94	20.03					26.94	20.03
Expenses reimbursements - SFPS			1,002.50	427.13			1,002.50	427.13
Expenses reimbursements - SISBL			0.61	1.04			0.61	1.04
Expenses reimbursements - SLIC			30.92	24.49			30.92	24.49
Expenses reimbursements - SGIL			20.86	11.91			20.86	11.91
Expenses reimbursements - SCCL			30.00	-			30.00	-
Expenses reimbursements - NOVAC	-		511.47	502.71			511.47	502.71
Royalty Fees - SVS			793.63	548.19			793.63	548.19
Other Payments								
Transfer of liability for Gratuity/Leave - SFL	-	2.20					-	2.20
Other Receipts								
Transfer of liability for Gratuity/Leave - SFL	14.93	4.89					14.93	4.89
Rent Received								
Rent - SFL	5.54	6.33					5.54	6.33
Electricity, telephone and								
printing charges and others Received								
Expenses reimbursement - SFL	3.50	3.50					3.50	3.50
Expenses reimbursement - SLIC			2.12	4.72			2.12	4.72
Received on assignment deal - SFL	3,215.28	4,195.44					3,215.28	4,195.44
Payment on assignment deal - SFL	-	4,570.02					-	4,570.02
Loans given and repayments								
Loan EMI received - Mr.Gauri Shankar Agarwal					15.26	15.26	15.26	15.26
Loan EMI received - Mr.Subramanian Jambunathan					13.42		13.42	
Loan disbursement - Mr.Subramanian Jambunathan					300.00	-	300.00	
Advances - Mr.Gauri Shankar Agarwal					-	20.00	-	20.00
Advances recovered - Mr.Gauri Shankar Agarwal					20.00	-	20.00	-
Balance outstanding as at March 31,2023 :								
Share Capital - SFL	27,655.11	27,655.11					27,655.11	27,655.11
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SFL	23.66	23.29					23.66	23.29
Expenses Receivable from SFL	57.40	51.46					57.40	51.46
Expenses Payable to SFPS			-	3.25			-	3.25
Expenses Payable to SVS Royalty			246.24	164.83			246.24	164.83
Expenses Payable to SISBL			0.04	0.14			0.04	0.14
Expenses Payable to NOVAC			12.71	15.30			12.71	15.30
Loan receivable from Mr.Subramanian Jambunathan					295.05		295.05	
Advances receivable from Mr.Gauri Shankar Agarwal					-	20.00	-	20.00
Loan Receivable from Mr.Gauri Shankar Agarwal	-	-	-	-	110.15	118.55	110.15	118.55

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes to financial statements as at 31 March, 2022

Note No 43: Related party disclosures (Contd..)

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Remuneration to independent directors (Sitting fees)								
Mr. V Murali					10.36	5.45	10.36	5.45
Ms. Lakshminaryanan Priyadarshini					11.99	6.81	11.99	6.81
Equity contribution -SCUF	50,000.00	-					50,000.00	-
Remuneration to other KMPs								
Employee Benefits - Mr. Subramanian Jambunathan - Short term benefit					214.15	185.69	214.15	185.69
Employee Benefits - Mr. Subramanian Jambunathan - Share based payment					80.46	53.73	80.46	53.73
Employee Benefits - Mr. Gauri Shankar Agarwal					85.89	96.17	85.89	96.17
Employee Benefits - Mr. Gauri Shankar Agarwal - Share based payment					7.64	6.63	7.64	6.63
Employee Benefits - Ms. Bhavita Ashiyani					12.73	11.56	12.73	11.56
Employee Benefits - Ms. Puja Shah					2.04	-	2.04	-
Reimbursement of rent & expenses								
Rent - SCUF	50.67	44.06					50.67	44.06
Rent - SFPSPL			1.37	-			1.37	-
Expenses reimbursements - SCUF	12.24	13.47					12.24	13.47
Expenses reimbursements - SFPSPL			465.57	-			465.57	-
Expenses reimbursements - SCL			-	1.48			-	1.48
Expenses reimbursements - SISBL			1.14	1.32			1.14	1.32
Expenses reimbursements - SLIC			28.90	23.90			28.90	23.90
Expenses reimbursements - SGIL			14.05	-			14.05	-
Expenses reimbursements - NOVAC			547.96	373.60			547.96	373.60
Royalty fees - SVS			597.52	461.16			597.52	461.16

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes to financial statements as at 31 March, 2022

Note No 43: Related party disclosures (Contd..)

(₹ in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence over the Company		Key Management Personnel		Total	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Other payments								
Transfer of liability for Gratuity/ Leave - SCUF	2.20	-					2.20	-
Other receipts								
Transfer of liability for Gratuity/ Leave - SCUF	4.89	-					4.89	-
Rent received								
Rent - SCUF	6.33	68.38					6.33	68.38
Rent - SFSL			-	0.80			-	0.80
Electricity, telephone and printing charges and others received								
Expenses reimbursement - SCUF	3.50	10.16					3.50	10.16
Expenses reimbursement - SLIC			5.57	2.27			5.57	2.27
Expenses reimbursement - SGLI			0.00	-			0.00	-
Received on assignment deal - SCUF	4,195.44	2,550.74					4,195.44	2,550.74
Payment on assignment deal - SCUF	4,570.02						4,570.02	-
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-			-	130.00	-	130.00
Loan EMI received - Mr. Gauri Shankar Agarwal					15.26	8.45	15.26	8.45
Advances - Mr. Gauri Shankar Agarwal					20.00	-	20.00	-

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes to financial statements as at 31 March, 2022

Note No 43: Related party disclosures (Contd..)

(₹ in Lakh)

Particulars	Holding company		Associates / enterprises having significant influence over the Company		Key management personnel		Total	
	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021	As at Mar 31, 2022	As at Mar 31, 2021
Share Capital - SCUF	27,655.11	16,544.00					27,655.11	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses payable to SCUF	23.29	21.20					23.29	21.20
Expenses receivable from SCUF	51.46	46.69					51.46	46.69
Expenses payable to SFPSPL			3.25	-			3.25	-
Expenses payable to SVS Royalty			164.83	119.45			164.83	119.45
Expenses payable to SISBL			0.14	0.38			0.14	0.38
Expenses payable to NOVAC			15.30	9.23			15.30	9.23
Advances receivable from Mr. Gauri Shankar Agarwal					20.00		20.00	-
Loan receivable from Mr. Gauri Shankar Agarwal					118.55	126.45	118.55	126.45

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SHRIRAM HOUSING FINANCE

Notes to Financial Statements

for the year ended 31st March 2021

Note 40: Related party disclosures

Sr. No.	Relationship	Name of the party
(I)	Enterprises having significant influence over the Company/Associates	Valiant Mauritius Partners FDI Ltd. (VMPL)
		Shriram Fortune Solutions Limited (SFSL)*
		Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)*
		Shriram General Insurance Company Limited (SGICL)*
		Shriram Insight Share Brokers Limited (SISBL)*
		Shriram Life Insurance Company Limited (SLICL)*
		Shriram Value Services Limited (SVSL)*
		Novac Technology Solutions Pvt. Ltd. (NTSPL)*
		Shriram Ownership Trust (SOT)
		Shriram Capital Limited
(II)	Holding	Shriram City Union Finance Limited (SCUF)
(III)	Key Management Personnel	Mr. Subramanian Jambunathan, Managing Director & CEO
		Mr. Gauri Shankar Agarwal, Chief Financial Officer
		Ms. Bhavita Ashiyani, Company Secretary
		Mr. Venkataraman Murali, Director
		Ms. Lakshminarayanan Priyadarshini, Director
		Mr. Yalamati Srinivasa Chakravarti, Director
		Mr. Kunal Karnani, Chief Financial Officer (Ceased w.e.f. 6.9.2019)
		Ms. Nikita Hule, Company Secretary (Ceased w.e.f. 24.07.2019)
(IV)	Relatives of Key Management Personnel	Nil**

* The Company neither holds any shares in the above entities nor these entities hold any shares in the Company. However, these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 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 year ended 31st March 2021.

Related party disclosures

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Remuneration to Directors (Sitting Fees)								
Mr. V. Murali					5.45	3.80	5.45	3.80
Ms. Lakshminarayanan Priyadarshini					6.81	4.90	6.81	4.90
Remuneration to other KMPs							-	-
Employee Benefits - Ms. Nikita Hule					-	4.41	-	4.41
Employee Benefits - Mr. Subramanian Jambunathan - Short-term Benefit					185.69	182.81	185.69	182.81
Employee Benefits - Mr. Subramanian Jambunathan - Share Based Payment					53.73	50.05	53.73	50.05
Employee Benefits - Mr. Kunal Karnani					-	30.18	-	30.18

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Notes to Financial Statements

for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Employee Benefits - Mr. Gauri Shankar Agarwal					96.17	39.90	96.17	39.90
Employee Benefits - Mr. Gauri Shankar Agarwal - Share Based Payment					6.63	1.14	6.63	1.14
Employee Benefits - Ms. Bhavita Ashiyani					11.56	5.51	11.56	5.51
Reimbursement of Rent & Expenses								
Rent - SCUF	44.06	56.51					44.06	56.51
Rent - SFSL			-	0.34			-	0.34
Rent - SFPS			-	0.47			-	0.47
Expenses reimbursements - SCUF	13.47	18.22					13.47	18.22
Expenses reimbursements - SFPS			-	0.07			-	0.07
Expenses reimbursements - SCL	-		1.48	-			1.48	-
Expenses reimbursements - SISBL			1.32	1.29			1.32	1.29
Expenses reimbursements - SLIC			23.90	15.67			23.90	15.67
Expenses reimbursements - SVS			-	46.89			-	46.89
Expenses reimbursements - NOVAC			373.60	712.67			373.60	712.67
Royalty Fees - SOT			-	105.39			-	105.39
Royalty Fees - SVS			461.16	252.16			461.16	252.16
Payment on assignment deal - SCUF	-	9,784.26					-	9,784.26
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	-	13.48					-	13.48
Security Deposit - SCUF	275.33						275.33	-
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	-	13.59					-	13.59
Rent Received							-	-
Rent - SCUF	68.38	327.06					68.38	327.06
Rent - SFSL			0.80	3.78			0.80	3.78
Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	10.16	24.97					10.16	24.97
Expenses reimbursement - SLIC			2.27	2.39			2.27	2.39
Received on assignment deal - SCUF	2,550.74	1,137.74					2,550.74	1,137.74
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-			130.00		130.00	-
Loan EMI received - Mr. Gauri Shankar Agarwal					8.45		8.45	-
Balance outstanding as at 31st March 2021:								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	21.20	24.88					21.20	24.88

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SHRIRAM HOUSING FINANCE

Notes to Financial Statements

for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Holding Company		Associates/ Enterprises having significant influence over the Company		Key Management Personnel		Total	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Expenses Receivable from SCUF	46.69	47.32					46.69	47.32
Security Deposit - SCUF	-	275.33					-	275.33
Expenses Payable to SVS Royalty			119.45	92.10			119.45	92.10
Expenses Receivable from SFSL			-	0.87			-	0.87
Expenses Payable to SISBL			0.38	0.06			0.38	0.06
Expenses Payable to SVS			-	0.74			-	0.74
Expenses Payable to NOVAC			9.23	11.34			9.23	11.34
Loan Receivable from Mr. Gauri Shankar Agarwal	-	-	-	-	126.45		126.45	-

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Issuer hereby confirm and declare that:

A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;

B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;

C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Shelf Placement Memorandum; and

D. whatever is stated in this Shelf Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Shelf Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

General Risk
Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Eligible Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, Eligible Investors must rely on their examination of the issue including the risks involved in it. Specific attention of Eligible Investors is invited to Section 3 (Risk Factors) of this Shelf Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or the Eligible Investor's decision to purchase such Debentures.

I am authorized by the Board of Directors of the Issuer *vide* resolution dated April 25, 2022 read with the resolution of the banking and finance committee of the Board of Directors of the Issuer dated May 8, 2023 to sign this Shelf Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Shelf Placement Memorandum and matters incidental thereto have been complied with.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SHRIRAM HOUSING FINANCE LIMITED**

SUBRAMANIAN JAMBUNATHAN

Digitally signed by SUBRAMANIAN JAMBUNATHAN
Date: 2023.05.15 19:53:34 +05'30'

_____

Authorised Signatory
Name: Subramanian Jambunathan
Title: Managing Director & CEO
Date: May 15, 2023

ANNEXURE I: TERM SHEET

As set out in Section 5.35 above and as amended by the Tranche Placement Memorandum for each Tranche Issue

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: RATING LETTER, RATING RATIONALE AND DETAILED PRESS RELEASE FROM THE RATING AGENCIES

No. CARE/HO/RL/2023-24/1264
Shri G.S. Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level-3, Wockhardt Towers, East Wing,
C-2, G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai
Maharashtra 400051

May 04, 2023

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture and Subordinate debt issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) and Subordinate debt issue aggregating to Rs. 400 crore of your Company.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned
2.	Subordinate Debt	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned
	Total Instruments	400.00 (Rs. Four Hundred Crore Only)		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (May 04,2023).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

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

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

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

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed

7. The rationale for the rating will be communicated to you separately.

8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

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

11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

12. Our ratings are **not** recommendations to buy, sell or hold any securities.

13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

CARE Ratings Limited

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

CIN-L67190MH1993PLC071691

Akansha Manohar Jain
Lead Analyst
akansha.jain@careedge.in

Nikhil Hardikar
Associate Director
nikhil.hardikar@careedge.in

Encl.: As above

Disclaimer

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

No. CARE/HO/RL/2023-24/1248
Shri G.S. Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level-3, Wockhardt Towers, East Wing,
C-2, G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai
Maharashtra 400051

May 04, 2023

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your Company for FY23 (Audited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	40.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
2.	Non Convertible Debentures	25.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
3.	Non Convertible Debentures	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
4.	Non Convertible Debentures	100.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
5.	Subordinate Debt	50.00	CARE AA+; Stable	Reaffirmed

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

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
			(Double A Plus; Outlook: Stable)	
6.	**Subordinate Debt**	**50.00**	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**	**Reaffirmed**
	Total Instruments	**465.00 (Rs. Four Hundred Sixty-Five Crore Only)**		

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

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

3. The rationale for the rating will be communicated to you separately.

4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

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

7. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

8. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

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

Thanking you,

Yours faithfully,

Akansha Manohar Jain
Lead Analyst
akansha.jain@careedge.in

Nikhil Hardikar
Associate Director
nikhil.hardikar@careedge.in

Encl.: As above

Disclaimer

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

CRISIL Ratings

CONFIDENTIAL

RL/SRMHFL/318477/SUBDEBT/0523/59436/150549792
May 05, 2023

Mr. G S Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level 3, Wockhardt Towers,
BKC , Bandra (E)
Mumbai City - 400051
9831867013

Dear Mr. G S Agarwal,

Re: CRISIL Rating on the Rs.200 Crore Subordinated Debt of Shriram Housing Finance Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

CRISIL Ratings

CONFIDENTIAL

RL/SRMHFL/318477/SUBDEBT/0523/59439/144650664
May 05, 2023

Mr. G S Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level 3, Wockhardt Towers,
BKC , Bandra (E)
Mumbai City - 400051
9831867013

Dear Mr. G S Agarwal,

Re: Review of CRISIL Rating on the Rs.100 Crore Subordinated Debt of Shriram Housing Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed it's CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Shriram Housing Finance Limited

May 05, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,500.00	CARE AA+; Stable	Reaffirmed
Subordinate debt	50.00	CARE AA+; Stable	Reaffirmed
Subordinate debt	50.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – I	40.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – V*	00.00	-	Withdrawn
Non-convertible debentures – VI*	00.00	-	Withdrawn
Non-convertible debentures – VII	25.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – VIII	200.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures	100.00	CARE AA+; Stable	Reaffirmed
Commercial paper	100.00	CARE A1+	Reaffirmed
Subordinate debt	200.00	CARE AA+; Stable	Assigned
Non-convertible debentures	200.00	CARE AA+; Stable	Assigned

Details of instruments/facilities in Annexure-1.
*Withdrawn due to maturity

Rationale and key rating drivers

The ratings of various instruments/facilities of Shriram Housing Finance Limited (SHFL) continue to factor in the strong parentage of Shriram Finance Ltd (SFL), the strong business synergies with the Shriram group, the common brand image and access to the branch network of the Shriram group. By virtue of the strong parentage, SHFL also stands to benefit from the established track record of the group in lending to the self-employed segment in Tier-II and smaller towns, which is the customer profile for SHFL as well.

The ratings take note of the comfortable capital adequacy levels along with the demonstrated funding support from the parent and the improved asset quality parameters. CARE Rating Limited (CARE Ratings) expects the funding support from the parent to continue going forward as well. The profitability of the company witnessed improvement during FY23 aided by lower credit costs. The ratings continue to be constrained by the limited track record in the housing finance business, the moderate seasoning of the portfolio and geographical concentration of the portfolio albeit improving.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in the credit risk profile of the parent.

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Weakening in the credit risk profile of the parent.
- Any dilution in expectation of support from the parent.
- Significant deterioration in the asset quality and profitability levels.
- Significant deterioration in the capitalisation and liquidity profile.

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

Analytical approach: Standalone, along with factoring in the strong linkages with the parent, SFL. In addition to funding support, SFL and SHFL share a common brand name, and SHFL has access to the branch network and customer base of SFL.

Outlook: Stable

The stable outlook takes into consideration the maintenance of healthy business and financial parameters by SHFL over the medium term supported by comfortable capitalisation, improving asset quality and benefits derived from parentage.

Key strengths

Strong parentage and benefits derived from being part of the Shriram group

SHFL is promoted by the Shriram group, with SFL holding around 85.02% stake in the company as on March 31, 2023. The Shriram group has demonstrated its support by extending managerial, operational, and financial support to the company. Subramanian Jambunathan, the Managing Director and CEO of SHFL, who has experience of more than two decades in the lending business, is from the Shriram group. The company shares a common brand image and a shared logo with SFL and also has access to its branch network and customer base. SHFL receives managerial and operational support in terms of the usage of the branch network of the Shriram group. CARE Ratings makes a note of the fact that SHFL receives financial assistance in the form of capital, and apart from this, it also has sanctioned credit limits from SFL provided as bridge finance to SHFL in times of need, which has not been utilised for more than three years.

Comfortable capitalisation

The tangible net worth (TNW) of the company stood at ₹1,298 crore as on March 31, 2023, as against ₹1,153 crore as on March 31, 2022, on account of internal accruals. The current capital levels of SHFL are adequate with the capital adequacy ratio (CAR) at 25.48% as on March 31, 2023 (PY: 30.90%). The Shriram group has demonstrated capital-raising ability from various institutional investors in the past. The overall gearing of the company increased to 4.85x as on March 31, 2023, as against 3.39x as on March 31, 2022, on account of substantial growth in the loan book by 50% over the last year. CARE Ratings expects the gearing to remain within 5x on a sustained basis.

Significant growth in the assets under management

SHFL witnessed assets under management (AUM) growth of 50% (PY: 37%) from ₹5,297 crore as on March 31, 2022, to ₹8,047 crore as on March 31, 2023. The total disbursements stood at ₹4,148 crore in FY23 as against ₹2,739 crore in FY22. The AUM in the HL segment as on March 31, 2023, stood at ₹5,157 crore, increased by 49% from ₹3,470 crore as on March 31, 2022. The proportion of the housing and non-housing portfolio was at 69% and 31%, respectively, as on March 31, 2023.

Improvement in asset quality

The company's asset quality improved with gross non-performing assets (GNPA) and net non-performing assets (NNPA) at 0.93% and 0.68%, respectively, as on March 31,2023, as compared with 1.72% and 1.32%, respectively (after considering the impact of new IRAC norms), as on March 31, 2022. The 30+ DPD and 60+ DPD as a percentage of the AUM improved from 2.94% and 1.45%, respectively, as on March 31, 2022, to 2.38% and 1.23%, respectively, as on March 31,2023.

The company has a restructured book of ₹124.5 crore as on March 31, 2023, of which ₹14 crore has slipped into NPA during FY23.

Lower credit costs aides improved profitability

The net interest margin (NIM) witnessed improvement from 4.06% in FY22 to 4.23% in FY23 due to improved cost of funds during FY23. The other operating and non-operating income stood at around 1.90% of the total assets in FY23 (FY22: 1.88%). During FY23, the income from the gain on the sale of financial assets (DA income) stood at ₹65 crore as against ₹55 crore in FY22. The opex/average assets remained stable at 3.43% in (FY22: 3.28%). With the improvement in the asset quality and better collection efficiency, the credit costs reduced from 0.24% in FY22 to 0.15% in FY23, which in turn has led to improvement in the return on total assets (ROTA) at 2.13% in FY23 as against 1.79% in FY22.

Key weaknesses

Limited track record and geographical concentration, albeit improved

SHFL commenced lending operations in December 2011. However, lending under the newly revamped model began only post-January 2019. This book has a relatively limited track record and seasoning of the loan portfolio. The loan tenure ranges from 12 years to 16 years. The company is yet to witness one complete cycle of the loan provided to the customers. SHFL is primarily lending towards the housing finance needs of self-employed customers who are not serviced by the banking sector. About 79% (PY: 74%) of the overall loan portfolio is financed to the self-employed segment as on March 31, 2022. Although SHFL's branch

network is spread across 15 states with 123 branches as on December 31, 2022, the business is concentrated towards the southern and western regions. The top three states amount to 58% of the total loan portfolio as on December 31, 2022. During FY19, the company restructured its operations and business strategies to better leverage the Shriram group's branch network and customer base. The company is currently focussing on lending to borrowers with relatively better credit profiles and credit histories.

Moderately diversified resource profile

SHFL has a moderately diversified resource profile, being predominately funded by banks, however, witnessing higher capital market funding during FY23. The term loans from banks stood at 64% as on March 31,2023 (71% as on March 31, 2022). The non-convertible debentures (NCDs) stood at 21% (13% as on March 31, 2022) of the borrowings, NHB refinance stood at 9% (14% as on March 31, 2022) of the borrowings, and securitisation stood at 6% (2% as on March 31, 2022) as on March 31, 2023.

Liquidity: Adequate

The liquidity profile of SHFL remained adequate, with no negative cumulative mismatches in any of the time buckets for up to one year as on March 31, 2023. Given the cash balances, liquid investments, and monthly collections on the loan portfolio, SHFL is expected to manage its liquidity. SHFL also has an available credit limit of ₹300 crore from its parent, SFL, which can be used as bridge finance by SHFL in times of need. However, the same has not been utilised for over 3 years. As on March 31, 2023, SHFL had cash, bank balance of ₹922.32 crore, liquid investments amounting to ₹346.81 crore and Government Securities/Treasury bills of ₹96.07 crore. Additionally, the company has unutilised CC lines of ₹181 crore and undrawn sanctions of ₹600 crore to take care of any mismatches.

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Financial Ratios - Financial Sector
Rating Outlook and Credit Watch
Short Term Instruments
Housing Finance Companies
Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Housing Finance Company

SHFL is registered as a non-deposit-taking-housing finance company (HFC) with the National Housing Bank (NHB). The company received its Certificate of Registration in August 2011 and commenced its operations in December 2011. SHFL, a part of the Shriram group, is a subsidiary of SFL (rated 'CARE AA+; Stable/ CARE A1+'), which holds 85.02% of the shareholding. The balance 14.98% is held by Valiant Mauritius Partners FDI Ltd (VMPL) as on March 31, 2023. The company shares a common brand image and shared logo with SFL and has access to its branch network and customer base.

SHFL essentially caters to the housing finance needs of the self-employed, belonging to the middle-income group, primarily from Tier-II and Tier-III cities. The company also offers builder loans only for the construction of residential properties. The non-housing loans mainly comprise loan-against-property (LAP). Housing and non-housing loans constituted 69% and 31%, respectively, of the total portfolio outstanding as on March 31, 2023. The average tenure of the housing loan is 12 years to 16 years and the average ticket size is about ₹16-18 lakh.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31,2023 (A)
Total income	422	549	794
PAT	62	80	138
Total assets	3,825	5,164	7,742
Net NPA (%)	1.47	1.32	0.68
ROTA (%)	1.98	1.79	2.13

A: Audited Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Commercial paper-Commercial paper (Standalone)	INE432R14188	Jan 16, 2023	8.20%	Oct 30, 2023	20.00	CARE A1+
Commercial paper-Commercial paper (Standalone)	Proposed	-	-	07 days to 1 year	80.00	CARE A1+
Debentures-Non-convertible debentures-I	INE432R07018	Oct 10, 2014	10.30%	Oct 10, 2024	40.00	CARE AA+; Stable
Debentures-Non-convertible debentures-V & VI	INE432R07117	Apr 29, 2016	9.00%	Apr 29, 2023	0.00	Withdrawn
Debentures-Non-convertible debentures-VI	INE432R07125	May 02, 2016	9.00%	May 02, 2023	0.00	Withdrawn
Debentures-Non-convertible debentures-VII	INE432R08032	May 09, 2019	10.60%	May 09, 2023	25.00	CARE AA+; Stable
Debentures-Non-convertible debentures-VIII	INE432R07224	June 5, 2020	8.55%	June 5, 2023	40.00	CARE AA+; Stable
Debentures-Non-convertible debentures -VIII	INE432R07315	Aug 10, 2022	8.00%	Aug 09, 2026	58.00	CARE AA+; Stable
Debentures-Non-convertible debentures -VIII	INE432R08040	Sep 30, 2022	8.60%	Sep 30, 2037	35.00	CARE AA+; Stable

Debentures-Non-convertible debentures-VIII	INE432R07349	Dec 28,2022	9.05%	Dec 26,2025	50.00	CARE AA+; Stable
Debentures-Non-convertible debentures-VIII	Proposed	-	-	-	17.00	CARE AA+; Stable
Debentures-Non-convertible debentures	INE432R07364	Mar 14,2023	9.00%	Mar 13,2026	75.00	CARE AA+; Stable
Debentures-Non-convertible debentures	Proposed	-	-	-	25.00	CARE AA+; Stable
Debentures-Non-convertible debentures-	Proposed	-	-	-	200.00	CARE AA+; Stable
Debt-Subordinate debt	INE432R08057	Mar 01,2023	9.10%	Mar 01,2033	75.00	CARE AA+; Stable
Debt-Subordinate debt	Proposed	-	-	-	25.00	CARE AA+; Stable
Debt-Subordinate debt	Proposed	-	-	-	200.00	CARE AA+; Stable
Fund-based-Long term	-	-	-	August, 2027	2500.00	CARE AA+; Stable

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non Convertible Debentures	LT	40.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-Apr-20)

3	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+	-	1)CARE A1+ (15-Mar-23) 2)CARE A1+ (22-Feb-23) 3)CARE A1+ (21-Dec-22) 4)CARE A1+ (24-Nov-22)	1)CARE A1+ (17-Dec-21) 2)CARE A1+ (21-Oct-21)	1)CARE A1+ (22-Oct-20) 2)CARE A1+ (06-May-20) 3)CARE A1+ (07-Apr-20)
4	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)

						Positive Implications) (24-Nov-22)		
7	Debentures-Non Convertible Debentures	LT	25.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
8	Fund-based-Long Term	LT	2500.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
9	Fund-based-Short Term	ST	-	-	-	-	-	1)Withdrawn (22-Oct-20) 2)CARE A1+ (06-May-20) 3)CARE A1+ (07-Apr-20)
10	Debt-Subordinate Debt	LT	50.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)

						(21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)		3)CARE AA+; Stable (07-Apr-20)
11	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
12	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22)	-	-
13	Debt-Subordinate Debt	LT	50.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23)	-	-
14	Debt-Subordinate Debt	LT	200.00	CARE AA+; Stable				
15	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+; Stable				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities – Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Debt-Subordinate Debt	Simple
4	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

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

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About us:

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

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

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CRISIL Ratings

Rating Rationale

May 05, 2023 | Mumbai

Shriram Housing Finance Limited

'CRISIL AA+/Stable' assigned to Subordinated Debt, Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.1000 Crore**
Long Term Rating	**CRISIL AA+/Stable (Reaffirmed)**

Rs.200 Crore Subordinated Debt	**CRISIL AA+/Stable (Assigned)**
Rs.100 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Assigned)**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA+/Stable (Reaffirmed)**
Rs.100 Crore Subordinated Debt	**CRISIL AA+/Stable (Reaffirmed)**
Rs.200 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Reaffirmed)**

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA+/Stable'** rating to Rs.200 crore subordinated debt and Rs.100 crore Non-Convertible Debentures of Shriram Housing Finance Limited (SHFL). CRISIL Ratings has also reaffirmed its rating on the company's other debt instruments and bank facilities at **'CRISIL AA+/CRISIL PPMLD AA+/Stable'.**

CRISIL Ratings had upgraded the ratings in December 2022, following the consummation of the merger of Shriram City Union Finance Limited (SCUF) and the demerged undertaking of Shriram Capital Limited (Shriram Capital) with Shriram Transport Finance Company Limited (STFCL); STFCL was renamed as Shriram Finance Ltd (SFL). Shriram Housing Finance Ltd (SHFL) now operates as a subsidiary of SFL which holds around 85.02% stake in the same. In the earlier analytical approach, CRISIL Ratings had factored in expectation of strong support from SCUF both on an ongoing basis and in the event of distress. With the merger process completed, the parent for SHFL is now the merged entity, SFL which is rated 'CRISIL AA+/CRISIL PPMLD AA+ r/Stable/CRISIL A1+'.

The ratings continue to factor in the expectation of strong support from the parent SFL both on an ongoing basis and in the event of distress. SHFL's strategic importance has been consistently growing within the Shriram eco system, since it widens the product offerings in the financial services space while simultaneously adding scale and granularity into its already retail oriented lending book. Also, conducting the home loan business through a housing finance company allows more efficient use of capital. In addition to their revamped business model, SHFL which was actively tapping the existing branches of SCUF will now further look to benefit from synergies with STFCL branch network. Furthermore, SFL has the financial flexibility to infuse capital into SHFL to support its growth. It is expected to provide equity capital whenever required. Given the majority ownership, shared name, increasing strategic importance, management oversight, common branding and operational synergies, CRISIL Ratings believes SFL will continue to provide the required support to SHFL.

The ratings on SHFL continue to factor in the comfortable capitalisation metrics and well diversified resource profile. However, these strengths are partially offset by limited track record of operations post the revamp of business model and average profitability metrics.

The performance of SHFL has been improving over the past couple of years. SHFL's AUM has grown at 4 year Compounded Annual Growth Rate (CAGR) of 44% to Rs 8,047 crore as on March 31, 2023. The Company continues to focus on self-employed sector with more than 75% of SHFL's portfolio having bureau score of over 700. The company also focuses on the existing customer base of its parent. With the parentage of SFL, SHFL is expected to benefit through cross sell of home loan products.

While the AUM has grown substantially, asset quality metrics remain comfortable; however, SHFL's loan portfolio remains susceptible to inherent challenges related to asset quality due to lending to borrowers with modest credit profiles and under-banked customers previously. However, following the revamp of its operations, SHFL has put up adequate systems and

processes and has employed an experienced team in place to manage risks in the business, especially in the self-employed segments. The company has decentralised its credit operations, has increased its focus on underwriting practices and has heightened its collection efforts to bring asset quality stress under control. End fiscal 2018, the asset quality had weakened with gross non-performing assets (NPA) and net NPA at 5.0% and 3.7%. Delinquencies were relatively higher in the loan against property (LAP) segment. After a detailed analysis of delinquent contracts, SHFL sold NPAs aggregating to ~Rs 80 crore to an asset reconstruction company on all-cash basis. Additionally, under the revamped business model which was adopted from January 2019 onwards, SHFL has been improving its sourcing profile and collection efforts. 90% of the current outstanding loan book of SHFL has been sourced after January 2019, which has 90+ DPD of 0.4%. As a result, the overall reported GNPA ratios improved since then. The GNPA and NNPA stood at 0.9% and 0.7% respectively as on March 31, 2023, as per the new RBI recognition norms. Excluding the circular impact, the GNPA and NNPA have improved to 0.6% and 0.4% respectively as on March 31, 2023 from 2.8% and 2.2% respectively as on March 31, 2019. In addition, the company had standard restructured assets of about Rs 110 crore (1.6% of loan book) as on March 31, 2023. Nonetheless, given the higher susceptibility of self-employed borrowers in the affordable housing segment to economic cycles and the scale up in the portfolio in recent years, the portfolio lacks seasoning and therefore the asset quality performance will remain a monitorable.

The prefix 'PPMLD' indicates that the principal amount of the debentures is protected, while returns remain market-linked. Also, payments to investors are not fixed and are linked to external variables such as government yield, commodity prices, equity indices, foreign exchange rates, or equity valuation of the company.

Analytical Approach

CRISIL Ratings has evaluated the standalone business and financial risk profile of SHFL and factored in the expectation of strong support from SFL both on an ongoing basis and in the event of distress.

Key Rating Drivers & Detailed Description

Strengths:

* **Strong support from its parent, SFL**

SHFL is expected to receive strong support from its parent given the increasing strategic importance of SHFL as a critical business growth driver within the housing finance space and Shriram Group. SFL is the majority shareholder of SHFL with 85.02% stake.

SHFL's strategic importance has been consistently growing within the Shriram eco system, since it widens the product offerings of SCUF in the financial services space while simultaneously adding scale and granularity into its already retail oriented lending book. Also, conducting the home loan business through a housing finance company allows more efficient use of capital. In addition to their revamped business model, SHFL has also been actively tapping the existing branches of SCUF to identify synergies and further improve operational efficiencies.

Furthermore, SFL has the financial flexibility to infuse capital into SHFL to support its growth. It is expected to provide equity capital whenever required. Given majority ownership, shared name, increasing strategic importance, management oversight, common branding and operational synergies, CRISIL Ratings believes SFL will continue to provide the required support to SHFL.

*** Adequate capitalisation and resource profile**

SHFL's networth stood at Rs 1,299 crore while the total capital adequacy ratio (per Ind-AS) stood at 25.5% as on March 31, 2023. SHFL had raised Rs 200 crore of equity from SCUF in May 2021 and Rs 300 crore in October 2021. The adjusted gearing (including the off book securitised portfolio) stood at 5.9 times and the reported gearing of SHFL was 4.8 times as on March 31, 2023. On a steady-state basis, reported gearing is expected to be at 5-5.5 times over the medium term. CRISIL Ratings believes that SHFL will raise the required equity to manage capitalisation levels for future growth.

SHFL's resource profile primarily consisted of bank borrowings (73% including NHB refinance), debt instruments (14%), direct assignment transactions (17%) and PTC transactions (6%) as on March 31, 2023. Also, the company has access to line of credit of Rs 300 crore from its parent SFL is also available to tide over any short-term liquidity concerns.

Weakness:

*** Inherent vulnerability of asset quality metrics given the customer segment and limited track record of operations**

With the new core management team in place, SHFL has been changing its long-term strategy and plans to grow and diversify its loan portfolio substantially over the coming years. Under the revamped model, while housing finance will remain key focus area, SHFL has also been offering products such as loans against property and relatively a small portion towards construction finance for diversifying its portfolio. SHFL's AUM has grown by a 4-year CAGR of 44% to Rs 8,047 crore as on March 31, 2023. The Company continues to focus on self-employed sector with Bureau score of more than 700. Currently more than 75% of the SHFL's portfolio is having bureau score of over 700. The company also focuses on the existing customer base of its parent. With the parentage of SFL, SHFL is expected to benefit through cross sell of home loan products. The company wants to concentrate its focus on select geographies and has decided to contain its operations to seven to eight states instead of current fifteen states.

The loan portfolio remains susceptible to inherent challenges related to asset quality due to lending to borrowers with modest credit profiles and under-banked customers previously. However, following the revamp of its operations, SHFL has put up adequate systems and processes and has employed an experienced team in place to manage risks in the business, especially in the self-employed segments. The company has decentralised its credit operations, has increased its focus on underwriting practices and has heightened its collection efforts to bring asset quality stress under control.

End fiscal 2018, the asset quality had weakened with gross non-performing assets (NPA) and net NPA at 5.0% and 3.7%. Delinquencies were relatively higher in the loan against property (LAP) segment. After a detailed analysis of delinquent contracts, they sold NPAs aggregating to approx. Rs 80 crore to an asset reconstruction company on all-cash basis. Additionally, under the revamped business model which was adopted from January 2019 onwards, SHFL has been improving its sourcing profile and collection efforts. Around 90% of the current outstanding loan book of SHFL has been sourced after January 2019, which has 90+ DPD of 0.4%. As a result, the overall reported GNPA ratios improved since then. The GNPA and NNPA stood at 0.9% and 0.7% respectively as on March 31, 2023 as per the new RBI recognition norms. Excluding the circular impact, the GNPA and NNPA have improved to 0.6% and 0.4% respectively as on March 31, 2023 from 2.8% and 2.2% respectively as on March 31, 2019. In addition, the company had standard restructured assets of about Rs 110 crore (1.6% of loan book) as on March 31, 2023. Nonetheless, given the higher susceptibility of self-employed borrowers in the affordable housing segment to economic cycles, the asset quality will remain a monitorable.

*** Moderate profitability**
SHFL reported a net profit of Rs 138 crore on total income (net of interest expenses) of 401 crore for fiscal 2023 against net profit of Rs 80 crore on total income (net of interest expenses) of Rs 269 crore for fiscal 2022. SHFL reported return on managed assets (RoMA) of 1.8% for fiscal 2023 as compared to 1.6% for 2022 and 1.8% for fiscal 2021. Operating expenses (excluding loan loss expense) remained high with cost to average managed assets at 3.0% for fiscal 2023 as compared to 2.9% in fiscal 2022 and 3.1% in fiscal 2021.

Under its revamped business model, over the last few quarters, SHFL has seen a steady growth in margins and these are expected to improve further on the basis of growth of affordable housing segment in India and stable portfolio, generated post January 2019. Additionally, the company expects operational efficiencies to further enhance on account of increasing book size of the overall portfolio. Also, owing to greater focus on underwriting practices and heightened collection efforts, the company expects its provision costs to come down further. CRISIL Ratings, however, expects profitability to remain slightly subdued in the next couple of years owing to the additional costs which may occur on account of the transformation exercise and as SHFL continues to build scale through setting processes and people to revamp the operations and decentralize the credit units. However, cost efficiencies are expected to be generated from the staff/branch rationalization exercise conducted by SHFL. Also, the company's ability to raise funding at competitive cost will have bearing on the bottom-line.

Liquidity: Strong
In terms of liquidity, as on March 31, 2023, SHFL was holding liquidity of Rs 1,546 crore (Rs. 1,365 crore of cash and equivalents and Rs. 181 crore of unutilized working capital lines). Additionally, it was holding undrawn sanctions of Rs 600 crore. Against the same, they have total debt payments of Rs 589 crore over the next three months till June 2023. The Asset Liability Management (ALM) statement as on March 31, 2023 stood comfortable with positive cumulative mismatch across all buckets (the inflows include existing committed bank lines).

Outlook: Stable
CRISIL Rating expects SHFL to continue to maintain its comfortable capitalisation metrics and improve the earnings profile going forward. Further, support from the parent SFL both on an ongoing basis and in the event of distress is expected to continue.

Rating Sensitivity factors
Upward factor:
- Upward revision in the rating of the parent, SFL by 1 notch

Downward factor:
- Downward revision in the rating of the parent SFL by 1 notch or higher
- Any change in support philosophy or stance by SFL or change in majority shareholding
- Sharp deterioration in the asset quality of SHFL thereby impacting the profitability of the company

Key Financial Indicators

As on / For the year ended March 31,	Unit	2023	2022	2021
Assets Under Management	Rs. Cr.	8047	5355	3929
Total income (net of interest expenses)	Rs. Cr.	401	269	214
Profit after tax	Rs. Cr.	138	80	62
RoMA	%	1.8	1.6	1.8
Gross NPA (included impact of RBI Nov'21 circular)	%	0.9	1.7	1.9
Adjusted gearing	Times	5.9*	4	6.4

** including off-book DA portfolio; reported gearing of 4.8x*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity level	Rating assigned with Outlook
INE432R07323	Long Term Principal Protected Market Linked Debentures	22-Aug-22	G-Sec linked	22-Aug-24	200	Highly Complex	CRISIL PPMLD AA+/Stable
INE432R08032	Debenture	09-May-19	10.60%	09-May-23	25	Simple	CRISIL AA+/Stable
INE432R07224	Debenture	05-Jun-20	8.55%	05-Jun-23	40	Simple	CRISIL AA+/Stable
INE432R07257	Debenture	11-Dec-20	9.60%	11-Dec-30	17	Simple	CRISIL AA+/Stable
INE432R07265	Debenture	15-Jan-21	9.42%	15-Jan-31	21	Simple	CRISIL AA+/Stable
INE432R07273	Debenture	03-May-21	9.32%	02-May-31	10	Simple	CRISIL AA+/Stable
INE432R07356	Debenture	09-Feb-23	9.09%	09-Feb-33	240	Simple	CRISIL AA+/Stable
INE432R08057	Subordinated Debt	01-Mar-23	9.10%	01-Mar-33	70	Simple	CRISIL AA+/Stable
NA	Debenture^	NA	NA	NA	97	Simple	CRISIL AA+/Stable
NA	Debenture^	NA	NA	NA	100	Simple	CRISIL AA+/Stable
NA	Subordinated Debt^	NA	NA	NA	30	Simple	CRISIL AA+/Stable
NA	Subordinated Debt^	NA	NA	NA	200	Simple	CRISIL AA+/Stable
NA	Term loan 1	NA	1 year MCLR+ 0.8%	19-Jun-25	177.43	NA	CRISIL AA+/Stable
NA	Term Loan 2	NA	9.50%	01-Dec-30	38.46	NA	CRISIL AA+/Stable
NA	Proposed Long Term Bank Loan Facility*	NA	NA	NA	196.31	NA	CRISIL AA+/Stable
NA	Term Loan 3	NA	NA	01-Jan-25	41.87	NA	CRISIL AA+/Stable
NA	Term Loan 4	NA	NA	01-Oct-31	22.61	NA	CRISIL AA+/Stable
NA	Term Loan 5	NA	NA	01-Oct-31	5.73	NA	CRISIL AA+/Stable
NA	Term Loan 6	NA	NA	01-Oct-31	0.71	NA	CRISIL AA+/Stable
NA	Term Loan 7	NA	NA	01-Oct-31	1.84	NA	CRISIL AA+/Stable
NA	Term Loan 8	NA	NA	01-Jul-31	41.16	NA	CRISIL AA+/Stable
NA	Term Loan 9	NA	NA	01-Jul-31	14.01	NA	CRISIL AA+/Stable
NA	Term Loan 10	NA	NA	01-Jul-31	60.94	NA	CRISIL AA+/Stable
NA	Term Loan 11	NA	NA	01-Jul-31	1.47	NA	CRISIL AA+/Stable
NA	Term Loan 12	NA	NA	01-Jul-31	2.26	NA	CRISIL AA+/Stable
NA	Term Loan 13	NA	NA	01-Jul-31	24.07	NA	CRISIL AA+/Stable
NA	Term Loan 14	NA	NA	01-Oct-28	78.2	NA	CRISIL AA+/Stable
NA	Term Loan 15	NA	NA	01-Jan-29	114.71	NA	CRISIL AA+/Stable
NA	Term Loan 16	NA	NA	01-Jan-29	19.1	NA	CRISIL AA+/Stable
NA	Term Loan 17	NA	NA	01-Oct-28	1.2	NA	CRISIL AA+/Stable
NA	Term Loan 18	NA	NA	01-Jan-29	11.77	NA	CRISIL AA+/Stable
NA	Term Loan 19	NA	NA	01-Jan-29	0.86	NA	CRISIL AA+/Stable
NA	Term Loan 20	NA	NA	01-Jul-32	13.64	NA	CRISIL AA+/Stable
NA	Term Loan 21	NA	NA	01-Jul-32	7.31	NA	CRISIL AA+/Stable
NA	Term Loan 22	NA	NA	01-Jul-32	52.12	NA	CRISIL AA+/Stable
NA	Term Loan 23	NA	NA	01-Jul-29	72.22	NA	CRISIL AA+/Stable

^yet to be issued
**Interchangeable with short term facility*

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	1000.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	17-08-20	CRISIL AA/Negative	CRISIL AA/Stable
			--	20-02-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	30-04-20	CRISIL AA/Negative	--

			--	07-02-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative		--	--
			--	12-01-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive		--		--	--
			--		--	15-06-22	CRISIL AA/Watch Positive		--		--	--
Non Convertible Debentures	LT	800.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	17-08-20	CRISIL AA/Negative	CRISIL AA/Stable
			--	20-02-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	30-04-20	CRISIL AA/Negative	--
			--	07-02-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative		--	--
			--	12-01-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive		--		--	--
			--		--	15-06-22	CRISIL AA/Watch Positive		--		--	--
Subordinated Debt	LT	300.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable		--		--		--	--
			--	20-02-23	CRISIL AA+/Stable		--		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	200.0	CRISIL PPMLD AA+/Stable	16-03-23	CRISIL PPMLD AA+/Stable	31-12-22	CRISIL PPMLD AA+ r /Stable		--		--	--
			--	20-02-23	CRISIL PPMLD AA+/Stable	14-11-22	CRISIL PPMLD AA r /Watch Positive		--		--	--
			--	07-02-23	CRISIL PPMLD AA+/Stable	16-08-22	CRISIL PPMLD AA r /Watch Positive		--		--	--
			--	12-01-23	CRISIL PPMLD AA+ r /Stable		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility&	**196.31**	**Not Applicable**	**CRISIL AA+/Stable**
Term Loan	**38.46**	**LIC Housing Finance Limited**	**CRISIL AA+/Stable**
Term Loan	**138.77**	**Bank of India**	**CRISIL AA+/Stable**
Term Loan	**38.66**	**Bank of India**	**CRISIL AA+/Stable**
Term Loan	**587.8**	**National Housing Bank**	**CRISIL AA+/Stable**

This Annexure has been updated on 05-May-23 in line with the lender-wise facility details as on 30-Mar-22 received from the rated entity

& - Interchangeable with short term facility

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

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(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

32640/CL/MUM/23-24/DEB/43
Date: May 15,2023

Shriram Housing Finance Limited
Wockhardt Towers,
East Wing ,Level 3,
C-2, G Block ,Bandra-Kurla Complex ,
Mumbai-400051,Maharashtra
India

Kind Attn: Mr. GS Agarwal ()

Sub: Consent Letter to act as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating upto Rs. 230.00 Crores

Dear Sir,

This is with reference to our discussion regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating to Rs. 230.00 Crores

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully
For Beacon Trusteeship Limited

Deepavali Vankalu
Vice President
Mumbai,
Authorised Signatory

Accepted
For Shriram Housing Finance Limited

PUJA KIRIT SHAH
Digitally signed by PUJA KIRIT SHAH
Date: 2023.05.15 12:07:55 +05'30'

Authorised Signatory

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IV: APPLICATION FORM

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

APPLICATION FORM

SHRIRAM HOUSING FINANCE LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: November 09, 2010
Registered Office: 123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Website: www.shriramhousing.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

Issue of [●] ([●]) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with a base issue size of INR [●] (Indian Rupees [●]), and a green shoe option of INR [●] (Indian Rupees [●]) and an aggregate issue size of INR [●] (Indian Rupees [●]) ("Debentures" or "NCDs") on a private placement basis (the "Tranche Issue").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____In words: _____-only
Amount INR_____/-In words Indian Rupees :_____Only

DETAILS OF PAYMENT:

RTGS Number:

Funds transferred to **SHRIRAM HOUSING FINANCE LIMITED**
Dated _____

Total Amount Enclosed
(In Figures) INR_/- (In words) _Only

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																		
STREET																		
CITY																		
PIN							**PHONE**								**FAX**			

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

I AM/ WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

We have read and understood the Terms & Conditions of the Tranche Issue of Debentures including the Risk Factors described in the shelf placement memorandum dated May 15, 2023 ("**Shelf Placement Memorandum**") and the terms of the tranche placement memorandum dated [●] ("**Tranche Placement Memorandum**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these Terms & Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL/CDSL**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY

UTR Number_____

We understand and confirm that the information provided in the Shelf Placement Memorandum and the Tranche Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's Signature

FOR OFFICE USE ONLY

UTR Number_____

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address_____
_____
UTR # _____ or INR _____ on account of application of _____ Debenture

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account:

Beneficiary Name	Indian Clearing Corporation Ltd.
Credit Account #	ICCLEB
Bank	ICICI Bank Ltd.
Branch	RPC Delhi
IFSC Code	ICIC0000106

The Issuer undertakes that the application money deposited in the issuer bank account shall not be utilized for any purpose other than
a) for adjustment against allotment of securities; or
b) for the repayment of monies where the Issuer is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Issuer in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of Interest including interest payable on application money.

6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

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ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

A COLUMNAR REPRESENTATION OF THE AUDITED FINANCIAL STATEMENTS (I.E. PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) ON A STANDALONE BASIS FOR A PERIOD OF THREE COMPLETED YEARS

(INR in Crore)

Particulars	**31.03.2023**	**31.03.2022**	**31.03.2021**
	(Audited)	**(Audited)**	**(Audited)**
Profit and Loss Statement (INR)			
Interest Income	670.92	464.31	323.35
Less: Interest Expenses	392.28	280.60	208.34
Net Interest Income (a)		183.71	115.01
Other Income (b)	278.64	84.86	98.99
Total Income (a)+(b)	122.70	268.57	214.00
Operating Expenses	401.35	140.76	102.35
Provisions & Write Offs	198.28	10.80	20.13
Operating Profit	19.50	117.01	91.52
Depreciation	183.57	7.87	7.28
Profit Before Tax	13.60	109.14	84.24
Provisions for tax	169.96	28.80	21.85
Profit After Tax	**32.21**	**80.34**	**62.38**
Other Comprehensive Income	137.75	0.14	0.02
Total Comprehensive Income	**(0.40)**	**80.49**	**62.41**
Balance Sheet (INR)	**31.03.2023**	**31.03.2022**	**31.03.2021**
Equity capital	973.14	325.27	214.16
Reserve & Surplus	326.05	832.32	362.31
TNW (A)	1,299.19	**1,157.59**	**576.47**
Total Debt	6,296.06	3,896.67	3,180.84
Current Liabilities+ Provisions(it includes non-current also)	147.42	114.08	75.45
Total Outside Liabilities (B)	**6443.48**	**4,010.75**	**3,256.29**
Total Liabilities (A + B)		**5,168.34**	**3,832.76**
Fixed assets	7,742.67	5.40	4.04
Intangible Assets	13.69	3.10	4.39
Capital Work in Progress	0.82	-	-
Non-Current Investments		65.34	22.66
Long term Gross Advances	104.43	3,353.15	2,505.86
Non-Current assets	5,252.99	230.74	136.20
Deferred Tax Assets	225.82	-	-
Current Investments	-	75.10	51.37
Cash / Liquid Investments	152.45	26.77	101.13
Short term loans & Advances	427.54	1,169.00	871.82
Other Current Assets	1,428.36	239.74	135.29
Total Assets	**136.57**	**5,168.34**	**3,832.76**
Cash Flow Statement (INR)	**31.03.2023**	**31.03.2022**	**31.03.2021**
A) Cash flow from operating activities			
Net profit before taxation	169.96	109.14	84.24
Adjustment for :			
Depreciation, amortization and impairment on PPE & ROU Assets	13.60	7.87	7.28
(Profit)/loss on sale of Property, plant & equipment (net)	0.00	0.06	0.54
Interest Income on Loan	(645.91)		
Cash Inflow from Interest Income on Loan	582.21		
NCD issue expenses	1.31	1.46	1.94
Bad debts written off	5.93	7.56	5.98
Impairment of financial instruments	3.96	3.24	14.17
Impairment on lease receivables	0.00	-	-

Dividend received		-	-
Net (gain)/loss on derecognition of investments	(23.68)	(8.15)	(8.41)
Provision for lease rental	0.02	(0.08)	-
Interest received on deposit with banks	(10.20)	(6.80)	(6.75)
Finance cost	392.28	1.21	-
Cash outflow towards Finance Cost	(348.27)		
Re-measurement of defined employee benefit plans through OCI	(0.49)	0.19	0.03
Net (gain)/loss on fair value changes on investments	(0.04)	-	0.65
Fair valuation of ESOP	3.47	1.50	1.05
Net (gain) of derecognition of financial instruments under amortized cost category	(64.65)	(55.08)	(73.90)
Net loss of derecognition of financial instruments under amortized cost category	9.61	-	-
Finance cost related to SCUF guarantee		-	1.17
Interest income on fair valuation of security deposit	(0.29)	(0.29)	(0.43)
Recognition of interest on NPA		1.68	(1.76)
Amortization of processing fees on loans & advances		(2.96)	1.69
Amortization of investments on PTCs	0.00	0.01	0.01
Mortgage guarantee fee written off	0.62	0.07	0.18
Interest on lease liability		0.96	0.95
Gain on re-measurement of leases	(0.50)	(0.01)	(0.03)
Lease rent waiver	(0.29)	(0.80)	(0.78)
Interest income of lease receivable	(0.01)	(0.01)	(0.01)
Amortization of processing fees on cash credit	-	-	-
EIR Impact on Fixed Rate Loans	-	-	-
Operating profit before working capital changes	**87.34**	**60.77**	**27.81**
Movement in working capital:	-	-	-
(Increase) / decrease in loans and advances	(1,870.93)	(1,166.54)	(1,378.14)
(Increase) / decrease in other non-financial assets	8.31	(3.33)	(10.62)
(Increase) / decrease in other financial assets	(25.08)	23.60	7.41
Increase / (decrease) in other non-financial liabilities		0.16	0.79
Increase / (decrease) in other financial liabilities	2.44	24.57	(43.41)
Increase / (decrease) in other payables	22.76	(0.62)	0.32
Proceeds from sale of security receipts	1.76	0	0
Purchase of investments	(8,272.45)	0	0
Proceeds from sale of investments	8,124.98	0	0
Investment in commercial paper	(347.70)	0	0
Proceeds on maturity of commercial paper	402.69	0	0
Investment in fixed deposit	(2,227.68)	0	0
Proceeds on maturity of fixed deposits	2,342.87	0	0
Cash generated from operation	**(1,750.70)**	**(1,061.39)**	**(1,395.84)**
Direct taxes net of refund / (direct taxes paid)	**(42.06)**	**(23.87)**	**11.12**
Net cash flow from/ (used in) operating activities (A)	**(1,792.75)**	**(1,085.26)**	**(1,384.72)**
B) Cash flow from investing activities			
Purchase of fixed and intangible assets	(12.99)	(3.18)	(0.88)
Proceeds from sale of fixed assets	0.01	0.01	0.13
Proceeds from sale of security receipts		1.61	3.48
Purchase of investments		(4,404.52)	(1,913.28)
Proceeds from sale of investments		4,368.82	1,999.85
Investment in commercial paper		(526.93)	-
Proceeds on maturity of commercial paper		453.17	-
Investment in fixed deposit		(1,234.21)	(733.28)
Proceeds on maturity of fixed deposits		1,152.04	698.00

Interest received (others)	10.20	6.81	6.75
Net cash flow from/(used in) investing activities (B)	**(2.78)**	**(186.39)**	**60.77**
C) Cash flow from financing activities			
Increase/(decrease) of debt securities	866.46	(45.00)	188.00
Issue of equity shares (including share premium)		499.14	-
Lease liabilities paid	(142.25)	(7.49)	(3.24)
Interest paid on lease liabilities	70.00	(0.96)	(0.95)
Amount Received from borrowings (Other Than Debt Securities)	3,186.21		
Repayment of borrowings (Other Than Debt Securities)	(1,790.26)		
Increase/(decrease) of borrowings		777.10	1,093.85
NCD issue expenses	(6.73)	(0.50)	(1.29)
Net cash flow from/(used in) financing activities (C)	**2,171.30**	**1,222.29**	**1,276.37**
	-	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	375.77	(49.36)	(47.58)
Cash and cash equivalents at the beginning of the year	51.77	101.13	148.71
		-	-
Cash and cash equivalents at the end of the year	**427.54**	**51.77**	**101.13**
Component of cash and cash equivalents	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Cash on hand	-	-	0.06
Balances with banks:			
- Current Account /Cash Credit Account	221.33	31.62	57.91
- in deposit accounts having original maturity less than three months	206.21	20.15	43.16
Total Cash and cash equivalents	**427.54**	**51.77**	**101.13**

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Independent Auditor's Report

To
The Board of Directors of
Shriram Housing Finance Limited

Report on the Audit of the Financial Results

1. **Opinion**

We have audited the accompanying financial results of Shriram Housing Finance Limited (the "Company") for the quarter ended March 31, 2023 and the year-to-date results for the period from April 1, 2022 to March 31, 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

i. are presented in accordance with the requirements of regulation 52 of the Listing Regulations; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ("Ind AS"), RBI guidelines and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter ended March 31, 2023 and the year to date results for the period from April 1, 2022 to March 31, 2023.

2. **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Results 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 together with the ethical requirements that are relevant to our audit of the financial results, 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. **Management's and Board of Directors' Responsibility for the Financial Results**

This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been compiled from the annual audited financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the Net Profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS prescribed under section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with regulation 52 of the Listing Regulations. 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

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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 are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the management and Board of Directors are 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 the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

4. Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole is 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 the statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 control 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 through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

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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 statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.

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.

5. Other Matters

The statement includes the result for the quarter ended March 31, 2023, being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No.: 006711N/N500028

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani Partner
M No. 076650
UDIN:23076650BGUWJE5203
Date: April 24, 2023
Place: Mumbai

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SHRIRAM HOUSING FINANCE LIMITED
CIN: U65929TN2010PLC078004
Statement of Financial Results for the quarter and year ended March 31, 2023
Statement of Profit & Loss Account

(₹ In Lakhs)

	Particulars	For the Quarter Ended			For the year ended	
		March 31, 2023	Dec 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited	Unaudited	Audited	Audited	Audited
	Revenue from operations					
(i)	Interest income	19,207.55	18,271.92	12,152.03	67,092.06	44,705.01
(ii)	Fees and commission income	890.56	553.98	392.67	2,391.33	1,423.56
(iii)	Net gain on fair value changes	1,151.86	389.84	191.97	2,372.65	815.27
(iv)	Net gain on derecognition of financial instruments under amortised cost category	1,076.11	2,065.37	1,277.41	6,465.38	5,508.35
(v)	Others	425.35	124.07	296.83	937.88	620.81
(I)	**Total Revenue from operations**	**22,751.43**	**21,405.18**	**14,310.91**	**79,259.30**	**53,073.00**
(II)	Other income	48.17	9.55	19.27	103.30	90.42
(III)	**Total Income (I+II)**	**22,799.60**	**21,414.73**	**14,330.18**	**79,362.60**	**53,163.42**
	Expenses					
(i)	Finance costs	12,067.90	10,261.17	7,049.22	39,227.67	27,962.90
(ii)	Fees and Commission Expenses	153.14	42.18	(18.88)	304.40	97.15
(ii)	Impairment on financial instruments	72.52	143.05	511.06	989.09	1,079.80
(iii)	Net loss on derecognition of financial instruments under amortised cost category	-	960.87	-	960.87	-
(iv)	Employee benefits expenses	4,581.60	3,447.38	2,450.86	13,034.11	8,523.77
(v)	Depreciation, amortization and impairment	633.09	240.92	195.74	1,360.44	787.02
(vi)	Others expenses	1,809.58	1,416.83	1,103.43	6,489.83	3,798.36
(IV)	**Total Expenses (IV)**	**19,317.83**	**16,512.40**	**11,291.43**	**62,366.41**	**42,249.00**
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**	**3,481.77**	**4,902.33**	**3,038.75**	**16,996.19**	**10,914.42**
(VI)	**Exceptional items**				-	-
(VII)	**Profit/(loss) before tax (V -VI)**	**3,481.77**	**4,902.33**	**3,038.75**	**16,996.19**	**10,914.42**
(VIII)	**Tax expense:**					
	(1) Current Tax	1,006.78	843.74	629.51	3,639.02	2,092.65
	(2) Deferred Tax	(1,223.26)	396.82	57.96	(426.22)	644.48
	(3) Tax adjustment for earlier years	(15.46)	23.42	143.16	7.96	143.16
(IX)	**Profit for the year from continuing operations (VII-VIII)**	**3,713.71**	**3,638.35**	**2,208.12**	**13,775.43**	**8,034.13**
(X)	**Other comprehensive income**					
	(i) Items that will not be reclassified to profit or loss					
	Remeasurement gain/(loss) on defined benefit plan	(9.00)	(37.40)	20.25	(49.22)	19.25
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.26	9.41	(5.10)	12.39	(4.84)
		(6.74)	(27.99)	15.15	(36.83)	14.41
	(i) Items that will be reclassified to profit or loss					
	Gain / (Loss) on Effective portion of hedging instruments in a cash flow hedge	35.66	(9.22)	-	(4.87)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	(8.97)	2.32	-	1.23	-
		26.69	(6.90)	-	(3.64)	-
	Other comprehensive income (X)	19.95	(34.89)	15.15	(40.47)	14.41
(XI)	**Total Comprehensive Income for the year (IX +X)**	**3,733.66**	**3,603.46**	**2,223.27**	**13,734.96**	**8,048.54**
(XII)	**Earnings per equity share (Face Value of Rs.10/-)***					
	Basic (Rs.)	1.14	1.12	0.78	4.23	2.82
	Diluted (Rs.)	1.14	1.11	0.77	4.22	2.81

***not annualized for quarter ended March 31, 2023, December 31, 2022 and March 31, 2022.**

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Statement of Asset and Liabilities as at March 31, 2023				(₹ in Lakhs)
		Particulars	As at March 31, 2023	As at March 31, 2022
			Audited	Audited
I	ASSETS			
	1	**Financial assets**		
	(a)	Cash and cash equivalents	42,753.95	5,177.37
	(b)	Bank balance other than (a) above	6,200.20	17,777.36
	(c)	Derivative financial instrument	56.32	-
	(d)	Receivables		
		(i) Trade Receivables	-	-
		(ii) Other Receivables	22.98	-
	(e)	Loans	6,68,134.78	4,52,214.75
	(f)	Investments	25,688.35	14,047.85
	(g)	Other financial assets	17,928.09	15,569.98
		Total financial assets	**7,60,784.67**	**5,04,787.31**
	2	**Non-financial Assets**		
	(a)	Current tax assets (Net)	1,129.40	570.72
	(b)	Investment property	0.28	0.28
	(c)	Property, plant and equipment	1,368.94	540.43
	(d)	Right of use assets	3,808.61	1,421.71
	(e)	Other intangible assets	81.55	309.83
	(f)	Other non financial assets	1,625.03	1,130.89
		Total non-financial assets	**8,013.81**	**3,973.86**
	3	**Assets held for sale**	5,468.62	8,073.19
		Total Assets	**7,74,267.10**	**5,16,834.36**
II	LIABILITIES AND EQUITY			
	1	**Financial Liabilities**		
	(a)	Derivative financial instrument	-	5.49
	(b)	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	1,922.60	1,406.79
		(ii) Other payables		
		(i) total outstanding dues of micro enterprises and small enterprises	-	-
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(c)	Debt securities	1,27,154.28	53,329.62
	(d)	Borrowings (other than debt securities)	4,95,474.08	3,36,337.39
	(e)	Subordinate Debts	6,977.72	-
	(f)	Lease liabilities	3,861.56	1,470.36
	(g)	Other financial liabilities	5,387.17	4,757.47
		Total financial liabilities	**6,40,777.41**	**3,97,307.12**
	2	**Non-financial Liabilities**		
	(a)	Current tax liabilities (Net)	-	-
	(b)	Provisions	302.10	302.97
	(c)	Deferred tax liabilities (Net)	2,746.45	3,186.28
	(d)	Other non-financial liabilities	522.40	278.68
		Total non-financial liabilities	**3,570.95**	**3,767.93**
	3	**Equity**		
	(a)	Equity share capital	32,604.61	32,527.11
	(b)	Other equity	97,314.13	83,232.20
		Total equity	**1,29,918.74**	**1,15,759.31**
		Total Liabilities and Equity	**7,74,267.10**	**5,16,834.36**

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Statement Cash flow for the year ended March 31, 2023		(₹ in Lakhs)
Particulars	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
A) Cash flow from operating activities		
Net profit before taxation	16,996.19	10,914.42
Adjustment for :		
Depreciation, amortization and impairment on PPE & ROU Assets	1,360.44	787.02
(Profit)/loss on sale of Property, plant & equipment (net)	0.25	6.46
Interest Income on Loan	(64,590.73)	(42,907.96)
Cash Inflow from Interest Income on Loan	58,220.50	38,331.14
Finance cost	39,227.67	27,962.90
Cash outflow towards Finance Cost	(34,826.71)	(26,153.30)
Bad debts written off	593.16	755.95
Impairment of financial instruments	395.99	324.01
Impairment on lease receivables	(0.05)	(0.16)
Dividend received	-	(0.41)
Net (gain)/loss on derecognition of investments	(2,368.19)	(815.27)
Provision for lease rental	2.12	(8.48)
Interest received on deposit with banks	(1,019.72)	(679.89)
Remeasurement of defined employee benefit plans through OCI	(49.22)	19.25
Net (gain)/loss on fair value changes on investments	(4.46)	-
Fair valuation of ESOP	346.99	149.93
Net (gain)/loss of derecognition of financial instruments under amortised cost category	(6,465.38)	(5,508.35)
Net loss on derecognition of financial instruments under amortised cost category	960.87	-
Interest income on fair valuation of security deposit	(28.65)	(29.33)
Amortisation of investments on PTCs	0.07	1.26
Mortgage guarantee fee written off	62.45	7.16
Gain on remeasurement of leases	(50.01)	(1.03)
Lease rent waiver	(28.61)	(79.88)
Interest income of lease receivable	(0.60)	(0.93)
Operating profit before working capital changes	**8,734.37**	**3,074.51**
Movement in working capital:		
(Increase) / decrease in loans and advances	(1,87,093.12)	(1,13,652.45)
(Increase) / decrease in other non financial assets	830.68	(309.30)
(Increase) / decrease in other financial assets	(2,507.96)	2,336.62
Increase / (decrease) in other non financial liabilities	243.73	16.36
Increase / (decrease) in other financial liabilities	2,276.20	2,456.55
Proceeds from sale of security receipts	176.07	160.51
Purchase of investments	(8,27,244.95)	(4,40,452.01)
Proceeds from sale of investments	8,12,498.12	4,36,881.51
Investment in commercial paper	(34,770.10)	(52,693.17)
Proceeds on maturity of commercial paper	40,268.69	45,316.93
Investment in fixed deposit	(2,22,768.42)	(1,23,419.68)
Proceeds on maturity of fixed deposits	2,34,286.97	1,15,203.61
Increase / (decrease) in other payables	(0.04)	(61.29)
Cash generated from operation	**(1,75,069.76)**	**(1,25,141.30)**
Direct taxes net of refund / (direct taxes paid)	(4,205.66)	(2,387.59)
Net cash flow from/ (used in) operating activities (A)	**(1,79,275.42)**	**(1,27,528.89)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(1,298.68)	(317.85)
Proceeds from sale of fixed assets	0.67	1.40
Interest received (others)	1,019.72	679.89
Net cash flow from/(used in) investing activities (B)	**(278.29)**	**363.44**
C) Cash flow from financing activities		
Amount Received From Debt Securities	86,646.06	21,000.00
Repayment of Debt Securities	(14,225.00)	(25,500.00)
Amount Received from Subordinate Debts	7,000.00	-
Issue of equity shares (including share premium)	77.50	49,913.81
Lease liabilities paid	(1,023.52)	(748.88)
Interest paid on lease liabilities	(266.20)	(96.04)
Amount Received from borrowings (Other Than Debt Securities)	3,18,620.51	1,76,593.99
Repayment of borrowings (Other Than Debt Securities)	(1,79,025.75)	(98,883.65)
NCD issue expenses	(673.31)	(49.88)
Net cash flow from/(used in) financing activities (C)	**2,17,130.29**	**1,22,229.35**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**37,576.58**	**(4,936.10)**
Cash and cash equivalents at the beginning of the year	**5,177.37**	**10,113.47**
Cash and cash equivalents at the end of the year	**42,753.95**	**5,177.37**

Component of cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Audited	Audited
Cash on hand	0.15	0.01
Balances with banks:		
- Current Account	22,132.96	3,162.00
- in deposit accounts having original maturity less than three months	20,620.84	2,015.36
Total Cash and cash equivalents	**42,753.95**	**5,177.37**

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Notes:

1. Shriram Housing Finance Limited ('The Company') is a Housing Finance Company Registered with National Housing Bank (NHB).

2. The above results have been reviewed by the Audit Committee and have been approved and taken on record by the Board of Directors at their respective meeting held on April 24, 2023. The financial results for the quarter and year ended March 31, 2023 have been subjected to an audit by T R Chadha & Co LLP, Chartered Accountants, Statutory Auditor of the Company. The report thereon is unmodified.

3. The Company has prepared financial results for the quarter and year ended March 31, 2023, in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, and other relevant provisions of the Act, other accounting principles generally accepted in India and in compliance with Regulation 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended. The annual financial statements, used to prepare the financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.

4. The Company is regulated by the Reserve Bank of India ("R BI") and supervised by the National Housing Bank ("NHB").). The RBI / NHB periodically issues/amends directions, regulations and/or guidelines (collectively "Regulatory Framework") covering various aspects of the operation of the Company, including those relating to accounting for certain types of transactions. The Regulatory Framework contains specific instructions that have been considered by the Company in preparing its financial statements.

5. The Company is mainly engaged in the housing finance business and all other activities are incidental to the main business activities of the Company. Further, all activities are conducted within India and as such there is no separate reportable segment, as per the Ind AS 108 -"Operating Segments" specified under Section 133 of the Act.

6. Pursuant to the approval of the Composite scheme of Arrangement and Amalgamation by the Hon'ble National Company Tribunal, Chennai vide Common Order dated November 14, 2022 together with Corrigendum Order dated November 17, 2022, Shriram City Union Finance Limited was merged with Shriram Transport Finance Limited. Also, as part of the Scheme, the name of Shriram Transport Finance Limited has changed to "Shriram Finance Limited" w .e.f. 30.11.2022.
   Since Shriram City Union Finance Limited was the Promoter of the Company before the merger and in view of the above Order, Shriram Finance Limited is now the Promoter of Shriram Housing finance Limited.

7. Net worth includes equity share capital plus other equity less deferred revenue expenditure.

8. Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure A.**

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9. Information as required by Reserve Bank of India Circular on Resolution framework-2.0 for Covid-19: Related to stress of individuals and small businesses dated 5 May 2021 is attached as **Annexure B**.

10. Disclosure pursuant to RBI Notification dated September 24, 2021 on "Transfer of Loan Exposures" is attached as **Annexure C.**

11. The Rated, Listed, Secured, Redeemable, Non-Convertible Debentures ("NCDs") amounting to INR. 1,19,269.30 Lakhs are secured by way of first and exclusive charge on specified pool of receivables on respective NCDs and *pari-passu* subservient charge on undivided share of Company's immovable property is maintained with the minimum asset coverage of hundred percent for the NCDs. The Asset Cover available as on March 31, 2023 in case of the Non-Convertible Debentures ("NCDs") issued by the company is 1.10. The security cover certificate as per regulation 54(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached as **Annexure D.**

12. The Company confirms that there have been no material deviations in the use of proceeds of issue of Non-Convertible Debentures ("NCDs") from the objects stated in the offer document in pursuant to Regulation 52(7) and 52(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure E.**

13. The disclosures in compliance with Regulation 52(4) of the SEBI Listing Regulations and Large Corporate disclosures as per Chapter XII of SEBI Operational Circular dated August 10, 2021 as amended from time to time, for March 31, 2023 is attached as **Annexure F**.

14. Previous period figures have been regrouped / reclassified wherever necessary in order to make them comparable to current year/period.

15. The figure for the quarter ended 31 March 2023 and 31 March 2022 are balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the respective financial year, which were subject to limited review.

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For **Shriram Housing Finance Limited**

Subramanian Jambunathan
Managing Director & CEO
DIN: 00969478

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Place : Mumbai
Date : April 24, 2023

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Annexure A

Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended March 31, 2023.

	Particulars	Quarter Ended			Year Ended	
		March 31, 2023 (Audited)	December 31, 2022 (Unaudited)	March 31, 2022 (Audited)	March 31, 2023 (Audited)	March 31, 2022 (Audited)
1	Debt-Equity Ratio (times)	4.85	4.25	3.37	4.85	3.37
2	Debt Service Coverage Ratio^	NA	NA	NA	NA	NA
3	Interest Service Coverage Ratio^	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	NIL	NIL	NIL	NIL	NIL
5	Outstanding Redeemable Preference Shares (value) (Rs. in lakhs)	NIL	NIL	NIL	NIL	NIL
6	Capital Redemption Reserve (Rs. in lakhs)	NIL	NIL	NIL	NIL	NIL
7	Debenture Redemption Reserve (Rs. in lakhs)^^	NIL	NIL	NIL	NIL	NIL
8	Net worth (Rs. in lakhs)	1,29,918.74	1,25,957.79	1,15,759.31	1,29,918.74	1,15,759.31
9	Net Profit After Tax (Rs. in lakhs)	3,713.71	3,638.35	2,208.12	13,775.43	8,034.13
10	Earnings per Equity Share (Not annualized for the interim periods)					
	Basic (Rs.)	1.14	1.12	0.78	4.23	2.82
	Diluted (Rs.)	1.14	1.11	0.77	4.22	2.81
11	Current Ratio^	NA	NA	NA	NA	NA
12	Long Term Debt to Working Capital^	NA	NA	NA	NA	NA
13	Bad Debts to Accounts Receivable Ratio^	NA	NA	NA	NA	NA
14	Current Liability Ratio^	NA	NA	NA	NA	NA
15	Total Debts to Total Assets	81.32%	79.21%	75.39%	81.32%	75.39%
16	Debtors Turnover^	NA	NA	NA	NA	NA
17	Inventory Turnover^	NA	NA	NA	NA	NA
18	Operating Margin (%)^	NA	NA	NA	NA	NA
19	Net Profit Margin (%)	16.29%	16.99%	15.43%	17.36%	15.11%
20	Sector Specific equivalent Ratios					
	Gross NPA Ratio (%) Before RBI circular impact**	0.57%	0.67%	1.11%	0.57%	1.11%
	Gross NPA Ratio (%) after RBI circular impact**	0.93%	1.15%	1.72%	0.93%	1.72%
	Net NPA Ratio(%) after RBI circular impact **	0.69%	0.87%	1.32%	0.69%	1.32%
	NPA Provision Coverage Ratio (%)	25.44%	24.38%	23.40%	25.44%	23.40%

Note

1. **Pursuant to the RBI circular dated November 12, 2021 "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications"
2. ^ The company prepares financial statements as per Division III, Schedule III of the Companies Act, 2013, hence these ratios not applicable.
3. ^^No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(ii) of the Companies (Share Capital and Debentures) Rules, 2014
4. Debt equity ratio = (Debt securities+Borrowings (other than debt securities)+ Subordinate Debts) / (Equity share capital+ Other equity).
5. Total Debts to Total Assets = (Debt securities+Borrowings (other than debt securities)+ Subordinate Debts) / Total Asset
6. Net profit margin(%)= Profit after tax / Total income.
7. Gross Non-Performing Asset (GNPA%) before RBI Circular impact : (Gross NPA / Gross loan Book before RBI circular impact)
8. Gross Non-Performing Asset (GNPA%) after RBI Circular impact = (Gross NPA / Gross loan Book after RBI circular impact)
9. Net Non-Performing Asset (NNPA %) after RBI Circular impact = (Net NPA / Gross loan Book after RBI circular impact)
10. NPA Provision coverage Ratio= Expected credit loss on Stage III loans/ gross loan book on stage III

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Annexure B

Details of resolution plan implemented under the Resolution Framework for COVID - 19-related Stress as per RBI circular dated August 06, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0), as at March 31, 2023 are given below:

(₹ In Lakhs)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan — Position as at the end of the previous half-year i.e. September 30, 2022 (A)#	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-years	Of(A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan — Position as at the end of this half-year i.e. March 31, 2023#^
Personal Loans*	10,908.88	871.61	-	747.86	9,563.76
Corporate persons	1,463.48	-	-	42.25	1,438.71
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**12,372.37**	**871.61**	**-**	**790.12**	**11,002.47**

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
excludes other facilities to the borrowers which have not been restructured.
^ include additions due to interest capitalization.
*Personal loans includes housing loan & non housing loan.

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Annexure C

Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021.

(a) **(i) Details of transfer through assignment in respect of loans not in default for the quarter ended 31st March 2023:**

Entity	NBFC / HFC / Banks
Count of Loan accounts Assigned	978.00
Amount of Loan account Assigned (INR Cr)	239.16
Retention of beneficial economic interest (MRR) (INR Cr.)	26.57
Weighted Average Maturity (Residual Maturity) (Months)	140.57
Weighted Average Holding Period (Months)	7.98
Coverage of tangible security coverage (LTV)	49.05
Rating-wise distribution of rated loans	Unrated

Details of transfer through PTC in respect of loans not in default for the quarter ended 31st March 2023:

Entity	Banks
Count of Loan accounts Assigned	488.00
Amount of Loan account Assigned (INR Cr)	98.02
Retention of beneficial economic interest (MRR) (INR Cr.)	-
Weighted Average Maturity (Residual Maturity) (Months)	133.06
Weighted Average Holding Period (Months)	55.79
Coverage of tangible security coverage (LTV)	54.98
Rating-wise distribution of rated loans	Series A1- AAA (SO) Series A2- A-(SO)

Details of transfer through Co-lending in respect of loans not in default for the quarter ended 31st March 2023:

Entity	Banks
Count of Loan accounts Assigned	26.00
Amount of Loan account Assigned (INR Cr)	12.89
Retention of beneficial economic interest (MRR) (INR Cr.)	3.83
Weighted Average Maturity (Residual Maturity) (Months)	154.82
Weighted Average Holding Period (Months)	4.40
Coverage of tangible security coverage (LTV)	45.97
Rating-wise distribution of rated loans	Unrated

(ii) The Company has not acquired through assignment in respect of loans not in default for the quarter ended 31st March 2023.

b) The Company has not transferred or acquired any stressed loans for the quarter ended March 31. 2023.

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Annexure D - Security cover certificate as per regulation 54(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as on March 31, 2023.

In Lakhs

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
Particulars	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with paripassu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)				Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets [viii]	Carrying/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value						Relating to Column F		
ASSETS														-
Property, Plant and Equipment	Investment property			0.28			1,368.94		1,369.22					-
Capital Work-in-Progress														-
Right of Use Assets							3,808.60		3,808.60					-
Goodwill														-
Intangible Assets							81.55		81.55					-
Intangible Assets under Development														-
Investments							25,688.35		25,688.35					-
Loans (Note 2)	Receivables under financing activities	1,25,658.89	5,19,616.55				22,859.33		6,68,134.78		1,25,658.89			1,25,658.89
Inventories														-
Trade Receivables							22.98		22.98					-
Cash and Cash Equivalents							42,753.95		42,753.95					-
Bank Balances other than Cash and Cash Equivalents							6,200.20		6,200.20					-
Others	Asset Held for Sale	5,042.12					21,165.35		26,207.47		5,042.12			5,042.12
Total		1,30,701.02	5,19,616.55	0	-	-	1,23,949.25	-	7,74,267.10	-	1,30,701.02	-	-	1,30,701.02
LIABILITIES														
Debt securities to which this certificate pertains		1,19,269.30							1,19,269.30		1,19,269.30			1,19,269.30
Other debt sharing pari-passu charge with above debt														
Other Debt							5,972.87		5,972.87					
Subordinated debt							6,977.72		6,977.72					
Borrowings							68,316.02		68,316.02					
Bank							4,27,158.07		4,27,158.07					
Debt Securities	not to be filled								-					
Others							1,912.11		1,912.11					
Trade payables							1,922.60		1,922.60					
Lease Liabilities							3,861.56		3,861.56					
Provisions							302.10		302.10					
Others							8,656.12		8,656.12					
Total		1,19,269.30	-	-	-	-	5,25,079.16	-	6,44,348.46	-	1,19,269.30	-	-	1,19,269.30
Cover on Book Value		1.10												
Cover on Market Value		1.10												
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio	-								

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Shriram Housing Finance Ltd.
Level 3, Wockhardt Towers, East Wing, C-2, G Block, Bandra Kurla Complex, Mumbai - 400051.
Regd Office: No. 123, Angappa Naicken Street, Chennai - 600 001.
CIN : U65929TN2010PLC078004

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Annexure: E

Statement on Deviation in use of proceeds for the quarter ended 31.03.2023

A. Pursuant to the Regulation 52(7) and 52(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, we hereby confirm that, the proceeds of all below Non-Convertible Debentures issued by the Company during the quarter ended March 31, 2023 listed on Stock Exchange have been utilized for the purposes for which these proceeds were raised and that there is no material deviations in the utilization of their proceeds from the objects stated in the offer document:

Name of the Issuer: Shriram Housing Finance Limited

ISIN	Mode of Fund Raising (Public issues/Private Placement)	Type of Instrument	Date of raising funds	Amount Raised (INR in Cr.)	Fund utilised	Any deviation (Yes/ No)	If yes, then specify the purpose of for which the funds were utilised	Remarks, if any
INE432R07356	Private Placement	NCD	Feb 02, 2023	240.00	240.00	No	NA	NA
INE432R08057	Private Placement	NCD	Mar 01, 2023	70.00	70.00	No	NA	NA
INE432R07364	Private Placement	NCD	Mar 14, 2023	75.00	75.00	No	NA	NA

B. Statement of deviation/ variation in use of Issue proceeds for the quarter ended March 31, 2023:

Particulars	Remarks
Name of listed entity	Shriram Housing Finance Limited
Mode of fund raising	Private Placement
Type of Instrument	Non-Convertible Securities
Date of raising funds	As per Table A
Amount raised	As per Table A
Report filed for quarter ended	March 31, 2023
Is there any deviation/variation in use of funds raised?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/offer document?	No
If yes, details of the approval so required?	Not Applicable
Date of Approval	Not Applicable
Explanation for the deviation/variation	Not Applicable
Comments of the audit committee after review	None
Comments of the auditors, if any	None
Objects for which funds have been raised and where there has been a deviation/variation, in the following table:	
Original Object	The amount equivalent to 100% of the Issue proceeds will be utilized towards the on-lending purpose and general corporate purpose. The Issuer shall not use the proceeds of the Issue towards: Any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; Any speculative purposes;

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	Any other activities which are in contravention of the Applicable Law
Modified Object, if any	Nil
Original allocation	Funds have been allocated as per the objects stated above in compliance with applicable laws.
Modified allocation, if any	Not Applicable
Funds utilised	Funds have been utilised as per the objects stated above in compliance with the applicable laws
Amount of deviation/variation for the quarter according to application object (in INR Crore and in %)	Not Applicable
Remarks, if any	Nil

Deviation could mean:

a. Deviation in the objects or purposes for which the funds have been raised.

b. Deviation in the amount of funds actually utilized as against what was originally disclosed.

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Annexure: F

Initial disclosure to be made by an entity identified as a Large Corporate (to be submitted to the stock exchange(s) within 30 days from the beginning of the FY)

Sl. No.	Particulars	Details
1	Name of the company	Shriram Housing Finance Limited
2	CIN	U65929TN2010PLC078004
3	Outstanding borrowing of company as on 31st March, 2023 (in INR. crore)	INR. 6,296.06 Crore
4	Highest credit rating during the previous FY along with name of the CRA	

Agency	Rating	Date of Rating	Purpose
CRISIL	CRISIL AA+ / Stable	December 31, 2022	Long Term Bank Term Loans and Non-Convertible Debentures
India Ratings	IND AA+ / Stable	January 2, 2023	
CARE Ratings	CARE AA+ /Stable	December 21, 2022	

5	Name of stock exchange* in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Ltd.

We confirm that we are a Large Corporate (LC) as per the applicability criteria given under the Chapter XII of SEBI Operational circular dated August 10, 2021.

Annual disclosure to be made by an entity identified as a LC (to be submitted to the stock exchange(s) within 45 days of the end of the FY)

1. Name of the Company : Shriram Housing Finance Limited
2. CIN : U65929TN2010PLC078004
3. Report filed for FY : 2022-2023
4. Details of the current block (all figures in INR. Lacs):

Sl. No.	Particulars	Details
1	3-year block period (specify financial years)	FY 2022, FY 2023 and FY 2024
2	Incremental borrowing done in FY (T) (a)	3,88,301.12
3	Mandatory borrowing to be done through debt securities in FY (T) (b) = (25% of a)	97,075.28
4	Actual borrowing done through debt securities in FY (T) (c)	90,800.00

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5	Shortfall in the borrowing through debt securities, if any, for FY (T-1) carried forward to FY (T). (d)	20,375.00
6	Quantum of (d), which has been met from (c) (e)	20,375.00
7	Shortfall, if any, in the mandatory borrowing through debt securities for FY (T) {after adjusting for any shortfall in borrowing for FY (T-1) which was carried forward to FY (T)} (f)= (b)-[(c)-(e)] {If the calculated value is zero or negative, write "nil"}	26,650.28

5. Details of penalty to be paid, if any, in respect to previous block (all figures in INR. crore):

Sl. No.	Particulars	Details
1	3-year block period (specify financial years)	FY 2022, FY 2023 and FY 2024
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	NIL

6. The funds raised through the issue of Non-Convertible Debt Securities, after meeting the expenditures of and related to the issue, have been used for our various activities, including lending and investments, to repay the existing loans, business operations including capital expenditure and working capital requirements. There was no deviation in the use of the proceeds of the issue of Non-Convertible Debt Securities.

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(Signature)		(Signature)	
Name	: Puja Shah	Name	: Gauri Shankar Agarwal
Designation	: Company Secretary	Designation	: Chief Financial Officer
Date	: April 24, 2023	Date	: April 24, 2023
Contact Details	: 022 42410400	Contact Details	: 022 42410400

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Date: April 24, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalai Street, Fort,
Mumbai 400 001

Dear Sir / Madam,

Sub.: Submission of Related Party Transaction for the half year ended March 31, 2023 under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Pursuant to the Regulation 23(9) of the SEBI LODR Regulations, enclosed herewith is the half-yearly disclosure on Related Party Transactions, prepared in accordance with the applicable accounting standards, for the half year ended March 31, 2023.

This disclosure will also be made available on the website of the Company and can be accessed using the link https://www.shriramhousing.in/stock-exchange-compliance

We request you to take the same on records.

Thanking you.

Yours Faithfully,
For **Shriram Housing Finance Limited**

Puja Shah
Company Secretary & Compliance Officer
Place: Mumbai

Encl.: As Above.

Related party transactions

Sr No.	Details of the party (listed entity /subsidiary) entering into the transaction	Details of the counterparty		Type of related party transaction	Details of other related party transaction	Value of the related party transaction as approved by the audit committee	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction	
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary					Opening balance	Closing balance
1	Shriram Housing Finance Limited	Mr. V Murali	Key managerial Personnel	Remuneration		3.87	3.87	0.00	0.00
2	Shriram Housing Finance Limited	Ms Lakshminaryanan Priyadarshini	Key managerial Personnel	Remuneration		7.15	7.15	0.00	0.00
3	Shriram Housing Finance Limited	Mr.Subramanian Jambunathan	Key managerial Personnel	Any other transaction	ESOP	75.00	75.00	0.00	0.00
4	Shriram Housing Finance Limited	Mr.Subramanian Jambunathan	Key managerial Personnel	Remuneration		276.50	276.50	0.00	0.00
5	Shriram Housing Finance Limited	Mr.Gauri Shankar Agarwal	Key managerial Personnel	Remuneration		71.62	71.62	0.00	0.00
6	Shriram Housing Finance Limited	Ms Puja R Shah	Key managerial Personnel	Remuneration		7.49	7.49	0.00	0.00
7	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Purchase of goods or services		19.83	19.83	0.00	0.00
8	Shriram Housing Finance Limited	Shriram Financial Products Solutions (Chennai) Private Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		0.18	0.18	0.00	0.00
9	Shriram Housing Finance Limited	Shriram Fortune Solutions Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		0.96	0.96	0.00	0.00
10	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Purchase of goods or services		17.78	17.78	0.00	0.00
11	Shriram Housing Finance Limited	Shriram Financial Products Solutions (Chennai) Private Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		-53.62	-53.62	0.00	0.00
12	Shriram Housing Finance Limited	Shriram Insight Share Brokers Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		0.31	0.31	0.00	0.04
13	Shriram Housing Finance Limited	Shriram Life Insurance Company Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		19.76	19.76	0.00	0.00
14	Shriram Housing Finance Limited	Shriram General Insurance Company Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		20.86	20.86	0.00	0.00
15	Shriram Housing Finance Limited	Shriram Credit Company Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		30.00	30.00	0.00	0.00
16	Shriram Housing Finance Limited	Novac Technlogy Solutions Private Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		227.12	227.12	0.00	0.00
17	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Sale of goods or services		1.85	1.85	0.00	0.00
18	Shriram Housing Finance Limited	Shriram Life Insurance Company Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Sale of goods or services		1.20	1.20	0.00	0.00

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19	Shriram Housing Finance Limited	Shriram Value Services Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Any other transaction	ROYALTY	410.51	410.51	0.00	0.00
20	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Any other transaction	Transfer of liability for Gratuity/ Leave	9.02	9.02	0.00	0.00
21	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Sale of goods or services		1527.37	1527.37	0.00	0.00
22	Shriram Housing Finance Limited	Mr.Subramanian Jambunathan	Key managerial Personnel	Loan		13.42	13.42	0.00	0.00
23	Shriram Housing Finance Limited	Mr.Gauri Shankar Agarwal	Key managerial Personnel	Loan		6.90	6.90	0.00	0.00
24	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Any other transaction	Share Capital	0.00	0.00	27655.11	27655.11
25	Shriram Housing Finance Limited	Valiant Mauritius Partners FDI Ltd.	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Any other transaction	Share Capital	0.00	0.00	4872.00	4872.00
26	Shriram Housing Finance Limited	Mr.Subramanian Jambunathan	Key managerial Personnel	Loan		300.00	300.00	0.00	0.00
27	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Purchase of goods or services		0.00	0.00	23.21	23.66
28	Shriram Housing Finance Limited	Shriram Fortune Solutions Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		0.00	0.00	12.49	0.00
29	Shriram Housing Finance Limited	Novac Technlogy Solutions Private Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Purchase of goods or services		0.00	0.00	9.85	12.71
30	Shriram Housing Finance Limited	Shriram Value Services Limited	Enterprises having significant influenceKey managerial Personnel over the Company / Associates	Any other transaction	ROYALTY	0.00	0.00	206.69	246.24
31	Shriram Housing Finance Limited	Shriram Finance Limited	Holding Company	Sale of goods or services		0.00	0.00	57.37	57.40
32	Shriram Housing Finance Limited	Mr.Subramanian Jambunathan	Key managerial Personnel	Loan		0.00	0.00	0.00	295.05
33	Shriram Housing Finance Limited	Mr.Gauri Shankar Agarwal	Key managerial Personnel	Loan		0.00	0.00	113.69	110.15
Total value of transaction during the reporting period							2995.07		

Notes: The company has not given any loan, Inter corporate deposit, advances or made any investment to the related parties during the reporting period.

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Independent Auditors' Report

To the Member of
Shriram Housing Finance Limited

Report on the Audit of the Financial Statements

1. Opinion

We have audited the accompanying financial statements of **Shriram Housing Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit and 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 of financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ("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 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 Financial Statements.

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3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the 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
a.	**Impairment on Financial Instruments** Ind AS 109 Financial instruments (Ind AS 109) requires the Company to provide for impairment of its financial instruments (designated as amortized cost or fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation and a significant degree of judgement by the management for development of ECL model and its corresponding application in the ECL model. These judgement and estimates include: 1. Estimating the behavioral life of the product. 2. Data inputs in relation to ECL model. 3. Application of the macroeconomic factors on a forward-looking basis. 4. Modification of assets in terms of restructuring. 5. Determination of loan book segmentation based on homogeneity, probability of	Read and assessed the Company's accounting policies for impairment of financial instruments (Refer note 3.14) and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors. Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework 2.0- Resolution of COVID-19-related Stress of Micro, Small and Medium Enterprises" issued by RBI on May 5, 2021 and tested the implementation of such policy on a sample basis. We have evaluated the management response upon implementation of various RBI circulars and tested the implementation of requirements as per these circulars on sample basis. We also performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes.

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	defaults, loss given defaults and exposure at default. 6. Compliance with RBI circulars and assess the level of credit impairment of financial instrument. 7. Disclosures as required by IND AS 109 and RBI Circular Refer Note 3.14 and 6(a) of the financial statements.	We tested the relevant manual controls, general IT and application controls over key systems used in the ECL process. Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around data extraction and validation. We tested the operating effectiveness of the controls for staging of loans and advances based on their past-due status. Tested a sample of performing (stage I) loans to assess whether any Significant Increase in Credit Risk indicators were present requiring them to be classified under higher stages. Assessing the appropriateness of changes made in macro-economic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. We tested the arithmetical accuracy of computation of ECL provision performed by the Company. We assessed the disclosures included in the Ind-AS financial statements with respect to such allowance / estimate are in accordance with the requirements of Ind AS 109 and Ind AS 107 Financial Instruments: Disclosures and also as per RBI Guidelines.

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b.	**Evaluation of Company's IT systems and Controls** The Corporation's key financial accounting and reporting processes are highly dependent on information systems including automated controls in information systems, such that there exists a risk that, gaps in the IT control environment could result in the financial accounting and reporting records being misstated. We identified 'IT systems and controls' as key audit matter because of the high level of automation being used by management and the scale and complexity of the IT architecture.	Our audit procedures include assessment and identification of key IT applications, and further verifying, testing, and reviewing the design and operating effectiveness of the IT system on the basis of reports /returns and other financial and non-financial information generated from the system on a test check basis. Our audit procedures included: a) Obtained an understanding of the IT control environment, IT policies during the audit period. b) Testing IT general controls related to User and Application controls, Change Management Controls and Data backup. Where we identified the need to perform additional procedures, we placed reliance on manual reconciliations between systems and other information sources.

4. Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

The above information is not made available to us as at the date of this Auditor's report. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") 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 misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or

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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 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 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 control 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 with reference to financial statements 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 in the Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the 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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

The Financial Statement also includes figures of the Company for the year ended March 31, 2021, audited by the predecessor firm of statutory auditor vide its report dated April 28, 2021, in which the predecessor auditor has expressed an unmodified opinion. Accordingly, we do not express any conclusion on aforesaid financial statement for the said year and have relied upon the said reports for the purpose of our report on this financial statement.

8. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs

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3 and 4 of the Order, to the extent applicable.

II. As required by section 143(3) of the Act, based on our audit 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act.
e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, 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 with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statement.

III. With respect to the other matters to be included in the Auditors' 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:

a) The Company has disclosed the impact of pending litigations as at March 31, 2022, on its financial position in its Financial Statements - Refer Note 44 of Financial Statements;
b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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d) (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.

IV. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

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In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650

UDIN: 22076650AHUCGP9029
Place: Mumbai
Date: April 25, 2022

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Annexure A to the Independent Auditor's Report of even date

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment whereby all these assets are verified once in a years. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification.

(c) The title deed of the immovable properties disclosed in the financial statements included under 'Note 10 - Investment Property' is held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

ii (a) The Company is a service company primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus, the provision of clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limit in excess of Rs 5 crore in aggregate during the year from banks or financial institutions on the basis of security of current assets and the quarterly returns/statements filed by the company with such Banks and Financial institutions are in agreement with the books of accounts of the Company.

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iii. The Company has not made investments in and provided any guarantee or security to companies, firms, Limited Liability Partnerships or any other parties. However, the Company has granted secured and unsecured loans to companies, firms, Limited Liability Partnerships and to others parties during the year in respect of which;

(a) Since the Company is principally engaged in providing loans reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the terms and conditions of the loans granted during the year are prima facie not prejudicial to the Company's interest.

(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation except for certain cases, the summary of which are as disclosed by the management in Note 6(a) of notes of the Financial Statements.

For the purpose of the above disclosure, the company has considered the Reserve Bank of India circular DOR.No.BP.BC/3/21.04.048/2020-21dated August 06, 2020 on Resolution Framework for COVID-19 related stress and RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (as amended time to time) wherein moratorium is to be granted to customers in relation to repayment of dues, due to which the repayment schedule of such customers has been modified to that extent.

(d) In respect of loans granted by the Company, the overdue amount remaining outstanding as at the balance sheet date is as reported in Note 6(a) of notes of the Financial Statements. The total amount in Stage III amounts to Rs. 7,879.68 Lakh with respect to 396 borrowers (485 loan accounts). The Company has generally taken reasonable steps in its normal course of business for recovery of overdue principal and interest in respect of such loans.

(e) As Company is principally engaged in providing loans, hence the reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances, in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year.

iv The Company has not granted any loans, made investments, or provided guarantees and securities which attract the provisions of section 185 and section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company;

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v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, the provision of clause 3(v) of the Order is not applicable to the Company;

vi The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company;

vii **(a)** The amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, value added tax, duty of customs and duty of excise;

There were no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income tax, cess and other applicable statutory dues which were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable;

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of Act	Forum	Period (AY)	Amount in Rupees Lakh
Income Tax Act	CIT Appeals	AY 2018-19	67.66

Refer note 44.

viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);

ix **(a)** The Company has not defaulted in the repayment of loans or other borrowings to or in the payment of interest thereon to any lender, during the year;

(b) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender;

(c) Term loans availed by the Company during the year have been generally applied for the purpose for which they were obtained other than temporary deployment in liquid assets pending application.;

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(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The company does not have any subsidiary or joint ventures. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates' companies;

(f) The company does not have any securities held in its associates and accordingly, the provisions of clause 3 (ix) (f) of the Order is not applicable;

x **(a)** The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company during the year has raised Equity Share Capital by way of Right Issue in compliance of Section 62 of the Act. No other preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) has been carried by the Company during the year. Further, the Funds raised by the Company under the aforesaid Right Issue of Equity Shares were utilized for the purpose for which the funds were raised.

xi **(a)** We report that no fraud by the company or fraud on the Company has been noticed or reported during the year nor have we been informed of any such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
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Email:mumbai@trchadha.com

xiv **(a)** In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;

(b) We have considered the internal audit reports issued to the Company for the period under audit.

xv During the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi **(a)** As the Company is a Non-Banking Financial institution and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of registration under section 45-IA of the Reserve Bank of India Act; 1934.

(b) The Company has a valid certificate of registration from National Housing Bank;

(c) The Company is not a core investment company and hence reporting under clause (xvi)(c) of the Order is not applicable;

(d) There is One core investment company as a part of the group;

xvii The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

xviii As per RBI circular no. RBI/2021-22/25 Ref No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 the Statutory Auditors have resigned upon completion of their term of appointment as per the requirement of the said circular. There has not been any issues, concerns or objections raised by the outgoing auditors, based on our communication with outgoing auditor as required under ICAI Code of Ethics;

xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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xx As disclosed by management in footnote to note 36 of the financial statements and as verified by us, the gross amount required to be spent by company towards Corporate Social Responsibility (CSR) during the year has been duly spent during the year hence reporting under clause (xx)(a) and clause (xx)(b) of the Order is not applicable;

xxi Reporting under clause xxi of the Order is not applicable as the same is required to be reported only in case of consolidated financial statement.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650

UDIN: 22076650AHUCGP9029
Place: Mumbai
Date: April 25, 2022

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ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SHRIRAM HOUSING FINANCE LIMITED

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

Opinion

1. We have audited the internal financial controls with reference to financial statements of **Shriram Housing Finance Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

   In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

2. 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 control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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 ('Act').

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit.

   We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the

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extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial controls with reference to financial statements. 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 system 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 judgment, 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

4. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations 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 with reference to financial statements

5. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference

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financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No. 076650

UDIN: 22076650AHUCGP9029
Place: Mumbai
Date: April 25, 2022

SHRIRAM HOUSING FINANCE LIMITED
CIN U65929TN2010PLC078004
Balance Sheet As at March 31, 2022

(₹ in Lakh)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Financial assets			
(a) Cash and cash equivalents	4	5,177.37	10,113.47
(b) Bank balance other than above	5	17,777.36	4,401.04
(c) Loans	6	452,214.75	337,768.23
(d) Investments	7	14,043.17	7,402.57
(e) Other financial assets	8	15,549.93	12,898.72
2 Non-financial Assets			
(a) Tax assets	9	570.72	418.95
(b) Investment property	10	0.28	0.28
(c) Property, plant and equipment	11	540.43	403.77
(d) Other intangible assets	12	309.83	438.98
(e) Right of use assets	13	1,421.71	920.49
(f) Other non financial assets	14	1,155.62	1,392.62
3 Assets held for sale	15	8,073.19	7,116.63
Total Assets		**516,834.36**	**383,275.75**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
(a) Derivative financial instrument	16	5.49	-
(b) Payables			
Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,253.23	1,127.68
(c) Debt securities	18	53,329.62	57,889.82
(d) Borrowings (other than debt securities)	19	336,337.39	260,193.82
(e) Lease liabilities	20	1,470.36	1,006.12
(f) Other financial liabilities	21	4,898.40	2,390.83
2 Non-financial Liabilities			
(a) Provisions	22	311.93	217.46
(b) Deferred tax liabilities (net)	38	3,186.28	2,536.95
(c) Other non-financial liabilities	23	282.35	266.02
3 Equity			
(a) Equity share capital	24	32,527.11	21,416.00
(b) Other equity	25	83,232.20	36,231.05
Total Liabilities and Equity		**516,834.36**	**383,275.75**

The accompanying notes form an integral part of the financial statements 1 - 95

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No:006711N/N500028

Pramod Tilwani
Partner
Membership No:076650

Place: Mumbai
Date: 25th April , 2022

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Srinagar
Date: 25th April , 2022

SHRIRAM HOUSING FINANCE LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ in Lakh)

	Particulars	Notes	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	Revenue from operations			
(i)	Interest income	26	46,431.19	32,334.68
(ii)	Fees and commission income	27	560.92	349.90
(iii)	Net gain on fair value changes	28	815.36	775.29
(iv)	Net gain on derecognition of financial instruments under amortised cost category	29	5,508.35	7,390.05
(v)	Others	30	1,511.40	1,062.98
(I)	**Total revenue from operations**		54,827.22	41,912.90
(II)	Other income	31	90.33	321.15
(III)	**Total Income (I+II)**		54,917.55	42,234.05
	Expenses			
(i)	Finance costs	32	28,060.05	20,833.73
(ii)	Impairment on financial instruments	33	1,079.80	2,013.27
(iii)	Employee benefits expenses	34	8,523.77	6,646.66
(iv)	Depreciation, amortization and impairment	35	787.02	728.32
(v)	Others expenses	36	5,552.49	3,588.45
(IV)	**Total Expenses (IV)**		44,003.13	33,810.43
(V)	**Profit / (loss) before exceptional items and tax (III-IV)**		10,914.42	8,423.62
(VI)	**Exceptional items**		-	-
(VII)	**Profit/(loss) before tax (V -VI)**		10,914.42	8,423.62
(VIII)	**Tax expense:**			
	(1) Current Tax	37	2,092.65	935.98
	(2) Deferred Tax	37	644.48	1,439.66
	(3) Income tax of earlier years	37	143.16	(190.33)
(IX)	**Profit / (loss) for the year (VII-VIII)**		8,034.13	6,238.31
(X)	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		19.25	3.12
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(4.84)	(0.78)
	Other comprehensive income (i + ii)		14.41	2.34
(XI)	**Total Comprehensive Income for the year**		8,048.54	6,240.65
(XII)	**Earnings per equity share (Face Value of Rs.10/-)**			
	Basic (Rs.)		2.82	2.91
	Diluted (Rs.)		2.81	2.90

The accompanying notes form an integral part of the financial statements 1-95

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

Pramod Tiwari
Partner
Membership No:076650

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 25th April , 2022

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

SHRIRAM HOUSING FINANCE LTD MUMBAI

Place: Srinagar
Date: 25th April , 2022

SHRIRAM HOUSING FINANCE LIMITED

Cash flow statement for the Year Ended March 31, 2022

(₹ in Lakh)

Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
A) Cash flow from operating activities			
Net profit before taxation		10,914.42	8,423.62
Adjustment for :			
Depreciation, amortization and impairment on ppe & rou assets	35	787.02	728.32
(Profit)/loss on sale of Property, plant & equipment (net)		6.46	54.03
NCD issue expenses		146.00	193.70
Bad debts written off	33	755.95	598.36
Impairment of financial instruments	33	324.01	1,416.98
Impairment on lease receivables	33	(0.16)	(0.22)
Dividend received	30	(0.41)	
Net (gain)/loss on derecognition of investments	28	(815.27)	(840.56)
Provision for lease rental		(8.48)	0.41
Interest received on deposit with banks	26	(679.89)	(675.04)
Finance cost		120.63	
Remeasurement of defined employee benefit plans through OCI		19.25	3.12
Net (gain)/loss on fair value changes on investments		-	65.27
Fair valuation of ESOP	34	149.93	105.14
Net (gain)/loss of derecognition of financial instruments under amortised cost category	29	(5,508.35)	(7,390.05)
Finance cost related to SCUF guarantee	32	-	117.13
Interest income on fair valuation of security deposit	26	(29.33)	(42.75)
Recognition of interest on NPA		168.20	(176.29)
Amortisation of processing fees on loans & advances		(296.07)	168.63
Amortisation of investments on PTCs		1.26	0.60
Mortgage guarantee fee written off		7.16	18.12
Interest on lease liability	32	96.02	94.73
Gain on remeasurement of leases	31	(1.03)	(3.39)
Lease rent waiver	31	(79.88)	(78.40)
Interest income of lease receivable	31	(0.93)	(1.24)
Operating profit before working capital changes		6,076.51	2,780.22
Movement in working capital:			
(Increase) / decrease in loans and advances		(116,654.45)	(137,814.30)
(Increase) / decrease in other non financial assets		(332.95)	(1,062.45)
(Increase) / decrease in other financial assets		2,360.26	740.89
Increase / (decrease) in other non financial liabilities	23	16.36	79.04
Increase / (decrease) in other financial liabilities		2,456.55	(4,340.98)
Increase / (decrease) in other payables		(61.29)	33.21
Cash generated from operation		(106,139.01)	(139,584.37)
Direct taxes net of refund / (direct taxes paid)		(2,387.59)	1,112.27
Net cash flow from/ (used in) operating activities (A)		(108,526.60)	(138,472.10)
B) Cash flow from investing activities			
Purchase of fixed and intangible assets	11-12	(317.85)	(87.61)
Proceeds from sale of fixed assets		1.40	13.31
Proceeds from sale of security receipts	7	160.51	347.68
Purchase of investments		(440,452.01)	(191,327.50)
Proceeds from sale of investments		436,881.51	199,983.82
Investment in commercial paper		(52,693.17)	-
Proceeds on maturity of commercial paper		45,316.93	-
Investment in fixed deposit		(123,419.68)	(73,327.50)
Proceeds on maturity of fixed deposits		115,203.61	69,800.07
Interest received (others)		679.89	675.04
Net cash flow from/(used in) investing activities (B)		(18,638.86)	6,077.31
C) Cash flow from financing activities			
Increase/(decrease) of debt securities		(4,500.00)	18,800.00
Issue of equity shares (including share premium)	24-25	49,913.81	-
Lease liabilities paid	20	(748.88)	(323.94)
Interest paid on lease liabilities	32	(96.02)	(94.73)
Increase/(decrease) of borrowings		77,710.34	109,384.75
NCD issue expenses		(49.89)	(128.83)
Net cash flow from/(used in) financing activities (C)		122,229.36	127,637.25
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(4,936.10)	(4,757.54)
Cash and cash equivalents at the beginning of the year		10,113.47	14,871.01
Cash and cash equivalents at the end of the period		5,177.37	10,113.47

Component of cash and cash equivalents		For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Cash on hand		0.01	6.38
Balances with banks:			
- Current Account /Cash Credit Account		3,162.00	5,791.35
- in deposit accounts having original maturity less than three months		2,015.36	4,315.74
Total Cash and cash equivalents		5,177.37	10,113.47

The accompanying notes form an integral part of the financial statements 1 - 95

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

Pramod Tilwani
Partner
Membership No:070650

Place: Mumbai
Date: 25th April , 2022

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969475

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Srinagar
Date: 25th April 2022

SHRIRAM HOUSING FINANCE LTD MUMBAI

Shriram Housing Finance Limited
Statement of changes in equity for the year ended March 31, 2022

a. Equity Share Capital

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
Balance at the beginning of the reporting period	**21,416.00**	**21,416.00**
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the reporting period	21,416.00	21,416.00
Changes in equity share capital during the year	11,111.11	-
Balance at the end of the reporting period	**32,527.11**	**21,416.00**

b. Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding Accounts	Securities premium account	Deemed investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at April 1, 2020	3,731.49	77.30	12,180.00	183.91	13,640.99	71.58	29,885.27
Profit for the year					6,238.30		6,238.30
Remeasurement of the net defined benefit liability/asset						2.34	2.34
Transferred from retained earnings to statutory reserve	1,254.00				(1,254.00)		-
Transfer to retained earnings		(1.81)			1.81		-
Share-based payments		105.14					105.14
Balance as at March 31, 2021	**4,985.49**	**180.63**	**12,180.00**	**183.91**	**18,627.10**	**73.92**	**36,231.05**

(₹ in Lakh)

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding Accounts	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at April 1, 2021	4,985.49	180.63	12,180.00	183.91	18,627.10	73.92	36,231.05
Profit for the year					8,034.13		8,034.13
Additions during Year			38,802.70				38,802.70
Remeasurement of the net defined benefit liability/asset						14.41	14.41
Transferred from retained earnings to statutory reserve	1,613.72				(1,613.72)		-
Share-based payments		149.93					149.93
Balance as at March 31, 2022	**6,599.21**	**330.56**	**50,982.70**	**183.91**	**25,047.51**	**88.33**	**83,232.20**

The accompanying notes form an integral part of the financial statements 1 - 95

In terms of our report attached
For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No: 006711N/N500028

Pramod Tilwani
Partner
Membership No:076650

T R Chadha & Co. LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 25th April , 2022

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

SHRIRAM HOUSING FINANCE LTD MUMBAI

Place: Srinagar
Date: 25th April , 2022

Shriram Housing Finance Limited
Notes forming part of financial statements

1. Corporate Information

Shriram Housing Finance Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is CIN U65929TN2010PLC078004.The Company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property, Company's non-convertible debentures are listed with BSE limited.

The Company is a subsidiary of Shriram City Union Finance Ltd.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

2. Basis of preparation and presentation

The Balance Sheet, the Statement of Profit and Loss and the 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"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flow and Statement of Changes in Equity are together referred as the financial statement of the Company.

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, under Section 133 of the Companies Act, 2013 (as amended from time to time). The financial statements are prepared and presented on going concern basis and the relevant provisions of the ACT and the guidelines and directives issued by the Reserve Bank of India (RBI) and National Housing Bank ("NHB") to the extent applicable.

The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements for certain financial instruments required or allowed by relevant Ind AS. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lakh, except when otherwise indicated.

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

3. Significant accounting policies

3.1 Use of estimates, judgements 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.

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Some of the areas involving significant estimation / judgement are determination of Expected Credit Loss, fair valuation of Investments, income taxes, share based payments and employee benefits.

3.2Revenue from operations

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(i) Interest and similar 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 Fair value through Profit and loss (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 amount (i.e.net of provision)of the financial asset.

(ii) Dividend Income

Dividend income is recognised when the right to receive the payment is established..

(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.

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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 on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 28), 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 Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/ loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Rental Income

Rental income from subleases is recognized as per contractual terms. Subleases given by the company are in nature of operating leases i.e. the company does not transfer substantially all of the risks and benefits of ownership of the asset.

3.3 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.

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 interest expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method.

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Interest on lease liability is recognized on the basis incremental borrowing rate used for discounting the lease liability.

Guarantee commission is in respect of corporate guarantee taken from holding company.

Net interest on net defined liability of defined employee benefit plan (i.e. interest cost on defined benefit obligation net of any interest income on plan investments) which reflects change in net liability arising from passage of time forms part of finance cost.

(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. 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, 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

Eligible 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.

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 recognizes 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 recognized 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 recognized 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.

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The Company contributes on a lumpsum basis towards the ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund Scheme. 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 recognized 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. During the year company has discontinued providing liabilities towards compensated absences according to Company's policy.

(iii) Leases:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to 1st April 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for buildings, service amenities and furniture therein and motor vehicle.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is 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.

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The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of subleases, the Company assesses whether the sublease is a finance lease or operating lease at its commencement on basis of its contractual terms and conditions. The discount rate used for the head lease is used to measure the investment in the sublease in case it is a finance lease.

In case of leases where Ind AS 116 is not applicable and where the Company has opted for exemption available in Ind AS 116, rent expense representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) 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 recognized 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 flow 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.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan as expected by management or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognized in the period they accrue.

(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

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Current Tax

Current tax assets and liabilities for the current and prior years 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 where the Company operates and generates taxable income.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

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:

1. 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.
2. When receivables and payables are stated with the amount of tax included.

As per the extant guidelines issued by the competent authority related to input tax credits.

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.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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. Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if

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any). 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 estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II to Companies Act, 2013	Useful life estimated by Company
Electrical installation and equipment	10 years	10 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	5 years
Servers	6 years	6 years

Leasehold improvements 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

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.

3.5 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.

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The Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use. 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.

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. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ up to the date of acquisition/sale.
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.

3.6 Investment Property
Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.7 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.

3.8 Assets held for sale:
Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.
Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.
At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount

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and fair value plus directly attributable cost related to Asset recovered under SARFESAI Act. 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 revised valuation.

Asset will have to be sold within three years from possession date. If the investment in such properties (land and buildings) exceeds 20% of capital fund as per NBFC – Housing Finance Company (Reserve Bank) directions, 2021 (of which such investment over and above 10% of owned fund shall be in residential units), the excess shall be written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise the 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

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

3.11.1.1 Classification

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

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income(FVOCI)
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:

I. *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:

a. 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

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b. 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
c. 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)
d. 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.

2. *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.

3.11.1.2 Initial Recognition –Financial assets are initially recognised at fair value.

3.11.1.3 Subsequent Measurement

Financial assets measured at amortised cost

Debt instruments

Debt instruments 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.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments 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

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

These debt instruments 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 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

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 can be 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. As at reporting date, there are no equity instruments measured at FVOCI.
Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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.

Financial instruments designated as measured at fair value through profit or loss
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.

3.11.2 Financial Liabilities & Equity Instruments
3.11.2.1 Classification as debt or equity
Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company

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or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

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.

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.

3.11.2.2 Initial Measurement

Financial liabilities are initially measured fair value minus, in case of financial liability not at FVTPL, transaction costs directly attributable to acquisition or issue. The company's financial liabilities include loans and borrowings and other payables.

3.11.2.3 Subsequent Measurement

Financial liabilities, except those at FVTPL, are subsequently carried at amortized cost using the effective interest method. 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.

3.11.3 Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

3.11.4 Financial Guarantees

Financial guarantees given 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.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the

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life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

3.11.5 Derivatives

A derivative is a financial instrument or other contract with all 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. 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 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.

Hedge Accounting:

Initial Recognition and subsequent remeasurement:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains and losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.12 Reclassification of financial assets and liabilities

The Company reclassifies a financial asset or a group of financial assets only on change in business model for managing that financial asset or group of financial assets. Financial liabilities are never reclassified.

3.13 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 3.11 above) 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.

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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 as 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 inputs those are significant to the measurement as whole.

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.

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3.14 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 and loan commitments, lease receivables, and financial assets held at FVOCI; 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 either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into housing loan, non-housing loan, and project finance.

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 1:12-months ECL

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 loan advances up to 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI the investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

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. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI, in case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

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Stage 3: Lifetime ECL – credit impaired

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. More than 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

For Investments measured at FVOCI, any investment which is non performing or in default or restructured is taken to be as at Stage 3.

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

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

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.

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. As at the reporting date, the Company does not have any such instruments.

Undrawn Loan commitments

ECL is calculated on the undrawn loan commitments considering of same stage as if considered for part disbursed and considering as Stage 1 if fully undisbursed. This is shown in the balance sheet as a provision.

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Lease receivables

The Company has adopted simplified approach for ECL on lease receivable and calculates Lifetime ECL using inputs similar to those used for loan portfolio.

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.PD is considered as an average of past 8 years PD for calculating ECL

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 in respect of assets which has defaulted in last 7 years 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.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in the form of immovable properties. The fair value of collateral affects the calculation of ECLs. Collateral is valued based on data provided by independent valuers.

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.

3.15 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

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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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.16 Recognition and derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the cheque is issued or funds are transferred to the customers
b) Investments are initially recognised on the settlement date.
c) Debt securities 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.

Derecognition

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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 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

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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.

When, as a result of transfer, a financial asset is derecognised in its entirety but the transfer results in the Company obtaining a new financial asset, the Company recognises the new financial asset at fair value.

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.

3.17 Deemed investment

Fair value of corporate guarantee taken from Holding company is recognised as Deemed Investment and corresponding effect is given to prepaid expenses which is amortised.

3.18 Offsetting

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 and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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

3.19 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 company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at

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reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. 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.

3.20 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.21 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 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 period, 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.

3.22 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black-Scholes model.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

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Notes to financial statements for the year ended March 31, 2022

Note 4: Cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.01	6.38
Balances with banks		
- in current accounts	3,162.00	5,791.35
- in deposit accounts having original maturity less than three months	2,015.36	4,315.74
Total	**5,177.37**	**10,113.47**

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.

Note 5: Other bank balances

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Bank Balances		
Fixed deposit with original maturity for more than 3 months but upto 12 months	16,156.13	2,640.65
Fixed deposit with original maturity of more than 12 months	166.59	256.89
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	1,454.64	1,503.50
Total	**17,777.36**	**4,401.04**

*Fixed deposit is under lien for bank Guarantee purpose to the extent for Rs 25.00 Lakh (March 31, 2021 Rs. 25.00 Lakh)

*Fixed deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110.00 Lakh (March 31, 2021 Rs. 110.00 Lakh)

*Fixed deposit is under lien to the extent for Rs 1298.50 Lakh (March 31, 2021 Rs. 1298.50 Lakh) marked in favour of "IDBI Trusteeship Services Limited" in respect to securitization as cash collateral.

*Fixed Deposit is under lien to extent of Rs 21.14 lakh (March 31, 2021 Rs. 70.00 Lakh) in favour of ICICI Bank in respect of sourcing and servicing agreement.

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Notes to financial statements for the year ended March 31, 2022

Note 6: Loans

(₹ in Lakh)

Particulars	As at March 31, 2022						As at March 31, 2021					
	Amortised Cost	At Fair value			Sub-total	Total	Amortised Cost	At Fair value			Sub-total	Total
		Through other comprehensive income	Through profit or loss	Designated at through profit or loss				Through other comprehensive income	Through profit or loss	Designated at through profit or loss		
(A)												
i) Term loans	457,453.53	-	-	-	-	457,453.53	342,609.74	-	-	-	-	342,609.74
Total (A) - Gross	457,453.53	-	-	-	-	457,453.53	342,609.74	-	-	-	-	342,609.74
Less : Impairment loss allowance	(5,238.78)	-	-	-	-	(5,238.78)	(4,841.51)	-	-	-	-	(4,841.51)
Total (A) - Net	452,214.75	-	-	-	-	452,214.75	337,768.23	-	-	-	-	337,768.23
(B)												
i) Secured by tangible assets	455,245.92	-	-	-	-	455,245.92	342,609.74	-	-	-	-	342,609.74
ii) Secured by book debts	2,207.61					2,207.61	-	-	-	-	-	-
Total (B) - Gross	457,453.53	-	-	-	-	457,453.53	342,609.74	-	-	-	-	342,609.74
Less : Impairment loss allowance	(5,238.78)	-	-	-	-	(5,238.78)	(4,841.51)	-	-	-	-	(4,841.51)
Total (B) - Net	452,214.75	-	-	-	-	452,214.75	337,768.23	-	-	-	-	337,768.23
(C)												
Loans in India												
i) Public sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others												
Individuals	384,227.26					384,227.26	291,869.84					291,869.84
Corporates	73,226.27					73,226.27	50,739.90					50,739.90
Total - Gross	457,453.53	-	-	-	-	457,453.53	342,609.74	-	-	-	-	342,609.74
Less: Impairment Loss Allowance	(5,238.78)	-	-	-	-	(5,238.78)	(4,841.51)	-	-	-	-	(4,841.51)
Total - Net	452,214.75	-	-	-	-	452,214.75	337,768.23	-	-	-	-	337,768.23
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	452,214.75	-	-	-	-	452,214.75	337,768.23	-	-	-	-	337,768.23

6(a) 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 and policies on ECL allowances are set out in Note 49

(₹ in Lakh)

Particulars	Year ended March 31, 2022					Year ended March 31, 2021				
	Count	Stage 1	Stage 2	Stage 3	Total	Count	Stage 1	Stage 2	Stage 3	Total
Internal rating grade										
Performing										
High grade	25456	433,032.87			433,032.87	18794	316,481.00			316,481.00
Standard grade	819	9,603.62			9,603.62	565	8,116.23			8,116.23
Sub-standard grade	399		6,056.15		6,056.15	393		6,041.03		6,041.03
Past due but not impaired	44		881.21		881.21	339		5,549.30		5,549.30
Non- performing :										
Individually impaired	485			7,879.68	7,879.68	304			6,422.18	6,422.18
Total	27203	442,636.49	6,937.36	7,879.68	457,453.53	20395	324,597.23	11,590.33	6,422.18	342,609.74

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Reconciliation of gross carrying amount is given below:

(₹ in Lakh)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	324,597.23	11,590.33	6,422.18	342,609.74	183,955.49	13,597.22	4,884.02	202,436.73
New assets originated or purchased	273,695.95	185.87	33.30	273,915.12	219,366.20	120.46	5.92	219,492.58
Assets derecognised or repaid (excluding write offs)	(153,734.30)	(2,603.66)	(2,403.07)	(158,741.03)	(75,532.70)	(2,384.65)	(1,133.28)	(79,050.63)
Transfers to Stage 1	7,554.16	(7,145.60)	(408.56)	-	5,517.22	(5,454.03)	(63.19)	(0.00)
Transfers to Stage 2	(6,389.60)	6,520.87	(131.27)	(0.00)	(7,350.99)	7,350.99	-	-
Transfers to Stage 3	(3,086.95)	(1,610.45)	4,697.40	-	(1,357.99)	(1,639.66)	2,997.65	-
Amounts written off			(330.30)	(330.30)			(268.94)	(268.94)
Gross carrying amount closing balance	**442,636.49**	**6,937.36**	**7,879.68**	**457,453.53**	**324,597.23**	**11,590.33**	**6,422.18**	**342,609.74**

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	Year ended March 31, 2022					Year ended March 31, 2021				
	Stage 1	Stage 2	Stage 3	Additional Provision	Total	Stage 1	Stage 2	Stage 3	Additional Provision	Total
ECL allowance - opening balance	2,162.16	272.68	1,406.67	1,000.00	4,841.51	1,226.25	303.16	1,058.94	1,000.00	3,588.35
New assets originated or purchased	1,689.97	8.05	7.60		1,705.62	1,372.83	4.56	0.96		1,378.35
Assets derecognised or repaid (excluding write offs)	(868.02)	(83.43)	(540.33)		(1,491.78)	(519.17)	(69.62)	(294.26)		(883.05)
Transfers to Stage 1	258.04	(165.01)	(93.03)		-	134.84	(111.97)	(22.87)		-
Transfers to Stage 2	(42.37)	73.25	(30.88)		-	(43.54)	43.54	-		-
Transfers to Stage 3	(20.72)	(39.61)	60.33		-	(9.05)	(31.87)	40.92		(0.00)
Impact on year end ECL of exposures transferred between stages during the year	-	150.07	1,106.23		1,256.30		134.88	678.26		813.14
Amounts written off			(72.87)		(72.87)			(55.28)		(55.28)
Additional provision				(1,000.00)	(1,000.00)					
ECL allowance - closing balance	**3,179.06**	**216.00**	**1,843.72**	**-**	**5,238.78**	**2,162.16**	**272.68**	**1,406.67**	**1,000.00**	**4,841.51**

Out of loan balances written off during the year Rs. 330.30 Lakh (March 31, 2021 Rs. 268.94 Lakh), Rs. 328.86 Lakh (March 31, 2021 Rs. 268.19 Lakh) are subject to enforcement activity by the company.

6(b) **Loans granted by the Company are secured by any or all of the following as applicable, based on their categorisation:**
a) Equitable / registered mortgage of property.
b) Undertaking to create a security.
c) The personal guarantees of borrowers.
d) Assignment of insurance policies.

6(c) Company has obtained guarantee on pool of home loan contracts sourced upto financial year 2018-19 with a mortgage guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

6(d) There were no loans given against collateral of gold jewellery (March 31, 2021 Rs. Nil).

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Note 6(e): A comparison between provisions required under Income recognition, asset classification and provision norms (IRACP) and impairment allowances made under IND AS 109

(₹ in Lakh)

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	442,636.49	3,179.06	439,457.43	2,908.50	270.56
	Stage 2	6,937.36	216.00	6,721.36	149.91	66.09
Subtotal		449,573.85	3,395.06	446,178.79	3,058.41	336.65
Non-Performing Assets (NPA)						
Substandard	Stage 3	4,812.64	1,057.26	3,755.38	677.79	379.47
Doubtful - up to 1 year	Stage 3	1,085.78	303.27	782.51	232.15	71.12
1 to 3 years	Stage 3	1,253.56	316.62	936.94	386.27	(69.65)
More than 3 years	Stage 3	727.70	166.57	561.13	522.87	(356.30)
Subtotal for doubtful		3,067.04	786.46	2,280.58	1,141.29	(354.83)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		7,879.68	1,843.72	6,035.96	1,819.08	24.64
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income recognition, asset classification and provisioning (IRACP) norms	Stage 1	46,273.06	266.48	46,006.58	-	266.48
	Stage 2	129.42	5.18	124.24	-	5.18
	Stage 3	-	-	-	-	-
Subtotal		46,402.48	271.66	46,130.82	-	271.66
Total	Stage 1	488,909.55	3,445.54	485,464.01	2,908.50	537.04
	Stage 2	7,066.78	221.18	6,845.60	149.91	71.27
	Stage 3	7,879.68	1,843.72	6,035.96	1,819.08	24.64
	Management overlay - COVID19			-	-	-
	Total	503,856.01	5,510.44	498,345.57	4,877.49	632.95

For the year ended March 31, 2021

((₹ in Lakh))

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	324,597.23	2,162.16	322,435.07	1,721.95	440.21
	Stage 2	11,590.33	272.68	11,317.65	78.20	194.48
Subtotal		336,187.56	2,434.84	333,752.72	1,800.15	634.69
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,020.80	703.64	2,317.16	420.74	282.90
Doubtful - up to 1 year	Stage 3	1,515.51	332.29	1,183.22	315.05	17.24
1 to 3 years	Stage 3	1,870.38	367.34	1,503.04	555.70	(188.36)
More than 3 years	Stage 3	15.49	3.40	12.09	10.86	(7.46)
Subtotal for doubtful		3,401.38	703.03	2,698.35	881.61	(178.58)
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		6,422.18	1,406.67	5,015.51	1,302.35	104.32
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	18,267.68	103.20	18,164.48	-	103.20
	Stage 2	140.53	4.21	136.32	-	4.21
	Stage 3	-	-	-	-	-
Subtotal		18,408.21	107.41	18,300.80	-	107.41
Total	Stage 1	342,864.91	2,265.36	340,599.55	1,721.95	543.41
	Stage 2	11,730.86	276.89	11,453.97	78.20	198.69
	Stage 3	6,422.18	1,406.67	5,015.51	1,302.35	104.32
	Management overlay - COVID19		1,000.00	(1,000.00)	-	1,000.00
	Total	361,017.95	4,948.92	356,069.03	3,102.50	1,846.42

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Note 6(f): Details of resolution plan implemented under the Resolution framework for COVID - 19-related stress as per RBI circular dated August 06, 2020 (Resolution framework 1.0) and May 05, 2021 (Resolution framework 2.0), as at March 31, 2022 are given below:

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan — position as at the end of the previous half-year i.e. September 30, 2021 (A)#	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31,2022	Of (A) amount written off during the half-year	Of(A) amount paid by the borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan — position as at the end of this half-year i.e. March 31, 2022#^
Personal Loans*	15,320.94	1,236.89	-	625.86	14,008.98
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	15,320.94	1,236.89	-	625.86	14,008.98

As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016
excludes other facilities to the borrowers which have not been restructured.
^ include restructuring done in respect of requests received as of September 30, 2021 processed subsequently and additions due to interest capitalization.

*Personal loans includes housing loans & non housing loans.

Note 6(g): There are no loans or advances granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013), either severally or jointly with any other person without specifying any terms or period of repayments or repayable on demands (March 31, 2021 Rs. Nil).

Note 6(h):Emergency Credit Line Guarantee Scheme (ECLGS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
No. of Loans	244	148
Amount outstanding (₹ in Lakh)	2,936.59	2,688.99

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Notes to financial statements for the year ended March 31, 2022

Note 7 :Investments

(₹ in Lakh)

Particulars	As at March 31, 2022							As at March 31, 2021						
	Amortised cost	At Fair value				Others	Total	Amortised cost	At Fair value				Others	Total
		Through other comprehensive income	Through profit or loss	Designated at fair value through profit & loss	Sub-total				Through other comprehensive income	Through profit or loss	Designated at fair value through profit & loss	Sub-total		
i) Pass through certificates (unquoted)	-	879.74	-	-	879.74	-	879.74	-	1,396.86	-	-	1,396.86	-	1,396.86
ii) Security receipts	-	-	819.72	-	819.72	-	819.72	-	-	980.24	-	980.24	-	980.24
iii) Deposits with financial institutions	-	-	-	-	-	-	-	5,027.50	-	-	-	-	-	5,027.50
iv) Investment in commercial paper	7,444.64	-	-	-	-	-	7,444.64	-	-	-	-	-	-	-
v) Investment in treasury bill	4,901.02	-	-	-	-	-	4,901.02	-	-	-	-	-	-	-
vi) Investment in state development loan	5.00	-	-	-	-	-	5.00	-	-	-	-	-	-	-
Total Gross (A)	12,350.66	879.74	819.72	-	1,699.46	-	14,050.12	5,027.50	1,396.86	980.24	-	2,377.10	-	7,404.60
i) Investments outside India	-	-	-		-	-	-	-	-	-	-	-	-	-
ii) Investments in India	12,350.66	879.74	819.72		1,699.46	-	14,050.12	5,027.50	1,396.86	980.24		2,377.10	-	7,404.60
Total Gross (B)	12,350.66	879.74	819.72	-	1,699.46	-	14,050.12	5,027.50	1,396.86	980.24	-	2,377.10	-	7,404.60
Less : Allowance for impairment loss (C)	(6.26)	(0.69)	-		(0.69)	-	(6.95)	(0.79)	(1.23)	-		(1.23)	-	(2.03)
Total - Net D = (A) + (C)	12,344.40	879.05	819.72	-	1,698.77	-	14,043.17	5,026.71	1,395.63	980.24	-	2,375.87	-	7,402.57

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of Rs. 515.87 Lakh (March 31, 2021: Rs. 443.26 Lakh) paid during the year.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk per 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 49

(₹ in Lakh)

Internal Grade Rating	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing				-				
High Grade	13,170.38	-	-	13,170.38	6,007.74	-	-	6,007.74
Standard grade	879.74	-	-	879.74	1,396.86	-	-	1,396.86
Non Performing	-	-	-	-	-	-	-	-
Total	14,050.12	-	-	14,050.12	7,404.60	-	-	7,404.60

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value – Opening balance	7,404.60	15,633.92
New assets originated or purchased	490,848.40	191,327.50
Change in fair value	-	(65.27)
Assets derecognised or matured	(484,202.88)	(199,491.55)
Fair value - Closing balance	14,050.12	7,404.60

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance in ECL	2.03	1.81
New assets originated or purchased	6.26	0.79
Assets derecognised or matured (excluding write offs)	(1.34)	(0.44)
ECL assumption changes		(0.13)
Closing balance in ECL	6.95	2.03

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Note 8: Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	457.70	366.11
Interest receivable on pass through certificates (PTC)	4.68	7.42
Less : Allowance for impairment against interest receivable on PTC	(0.00)	(0.01)
Net lease receivable	8.27	11.65
Less : Impairment loss allowance on lease receivables	(0.09)	(0.25)
Excess interest spread receivable on assignments	15,134.73	12,531.74
Less : ECL on excess interest spread receivable on assignments	(127.93)	(370.36)
Other receivables	72.57	352.42
Total	**15,549.93**	**12,898.72**

Reconciliation of impairment allowance

(₹ in Lakh)

Particulars	General approach					Simplified approach
	Interest receivable on PTC	Excess interest spread receivable on assignments				Net lease receivable
	Stage 1	Stage 1	Stage 2	Stage 3	Total	
Impairment allowance as per March 31, 2020	0.01	184.14	0.69	-	184.83	-
Add: Addition during the year	-	172.50	23.47	36.27	232.24	0.25
(Less): Reduction during the year	(0.00)	(46.42)	(0.29)	-	(46.71)	-
Impairment allowance as per March 31, 2021	0.01	310.22	23.87	36.27	370.36	0.25
Add: Addition during the year	-	57.25	1.82	-	59.07	-
(Less): Reduction during the year	(0.01)	(254.81)	(16.77)	(29.92)	(301.50)	(0.16)
Impairment allowance as per March 31, 2022	0.00	112.66	8.92	6.35	127.93	0.09

Note 9: Tax assets

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax & self assessment tax (Net of cumulative provision for Income tax Rs.9785.80 Lakh (March 31, 2021 : Rs. 7549.98 Lakh)	570.72	418.95
Total	**570.72**	**418.95**

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Note 10. Investment property

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
	Land-Freehold	Land-Freehold
At cost or fair value at the beginning of the year	0.28	0.28
Additions	-	-
Disposals	-	-
At cost or fair value at the end of the year	**0.28**	**0.28**
Depreciation and impairment		
Accumulated depreciation and impairment as at the beginning of the year	-	-
Depreciation charge for the year	-	-
Disposals	-	-
Accumulated depreciation and impairment as at the end of the year	-	-
Net carrying amount as at the end of the year	**0.28**	**0.28**

Note 11: Property, Plant and Equipment

(₹ in Lakh)

Particulars	As at March 31, 2022						As at March 31, 2021					
	Computers	Electrical installation and equipment	Furniture & fixtures	Office equipment	Leasehold improvement	Total	Computers	Electrical installation and equipment	Furniture & fixtures	Office equipment	Leasehold improvement	Total
At cost or fair value at the beginning of the year	442.37	194.77	72.50	5.19	417.86	1,132.69	430.82	219.62	88.14	5.19	604.59	1,348.36
Additions	144.89	40.45	4.01	-	117.43	306.78	38.95	11.18	9.37	-	27.16	86.66
Disposals	(4.34)	(4.35)	(4.51)	-	(38.66)	(51.86)	(27.40)	(36.03)	(25.01)	-	(213.89)	(302.33)
At cost or fair value at the end of the year	**582.92**	**230.87**	**72.00**	**5.19**	**496.63**	**1,387.61**	**442.37**	**194.77**	**72.50**	**5.19**	**417.86**	**1,132.69**
Accumulated Depreciation and impairment as at the beginning of the year	317.71	79.97	24.25	2.06	304.93	728.92	295.27	74.31	28.10	1.57	399.89	799.14
Depreciation for the year	55.04	19.98	7.00	0.49	81.21	163.72	48.47	20.36	7.39	0.49	88.05	164.76
Disposals	(4.13)	(1.96)	(3.05)	-	(36.32)	(45.46)	(26.03)	(14.70)	(11.24)	-	(183.01)	(234.98)
Accumulated Depreciation and impairment as at the end of the year	**368.62**	**97.99**	**28.20**	**2.55**	**349.82**	**847.18**	**317.71**	**79.97**	**24.25**	**2.06**	**304.93**	**728.92**
Net Carrying amount as at the end of the year	**214.30**	**132.88**	**43.80**	**2.64**	**146.81**	**540.43**	**124.66**	**114.80**	**48.25**	**3.13**	**112.93**	**403.77**

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Note 12: Other intangible assets (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
	Software	Software
At cost, beginning of the year	843.79	842.83
Additions	11.08	0.96
Disposals	(11.60)	-
Total cost	**843.27**	**843.79**
Accumulated amortisation and impairment:		
At the beginning of the year	404.81	267.32
Amortisation	138.76	137.49
Disposals	(10.13)	-
Total amortisation and impairment	**533.44**	**404.81**
Net carrying amount as at the end of the year	**309.83**	**438.98**

Note 13: Right of use assets (₹ in Lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Office premises	Furniture's & fixtures	Total	Office premises	Furniture's & fixtures	Total
Opening Balance	1,449.72	356.66	1,806.38	1,194.62	356.66	1,551.28
Additions	962.67	29.57	992.24	289.61	-	289.61
Remeasurement	(2.27)	(4.20)	(6.47)	(34.51)	-	(34.51)
Total	**2,410.12**	**382.03**	**2,792.15**	**1,449.72**	**356.66**	**1,806.38**
Accumulated Depreciation						
At the beginning of the year	660.26	225.64	885.90	346.72	113.10	459.82
Depreciation	372.05	112.49	484.54	313.54	112.54	426.08
Total Depreciation	**1,032.31**	**338.13**	**1,370.44**	**660.26**	**225.64**	**885.90**
Net carrying amount as at the end of the year	**1,377.81**	**43.90**	**1,421.71**	**789.46**	**131.02**	**920.49**

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Notes to financial statements for the year ended March 31, 2022

Note 14: Other non financial assets (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Unamortised expenses	175.27	300.25
Prepaid expenses	485.26	609.44
Advance salary	24.73	1.08
GST Receivable	220.44	354.19
Other sundry advances	249.92	127.66
Total	**1,155.62**	**1,392.62**

Note 15: Asset held for sale (₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
House property	8,073.19	7,116.63
Total	**8,073.19**	**7,116.63**

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy. The diminution in the value as identified by the independent valuers is written off in the books of accounts.

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Note 16 : Derivative financial instrument

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
MTM (gain) / loss on foreign currency loan	5.49	-
Total	5.49	-

Derivative financial instruments

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but the Company has elected not to apply hedge accounting requirements.
The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.
The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional amounts	Fair value - liabilities	Notional amounts	Fair value - liabilities
(i) Currency derivatives:				
-Spots and forwards	5,218.44	5.49		
-Currency futures	-	-		
-Currency swaps	-	-		
Sub total (i)	-	-		
(ii) Interest rate derivatives:				
-Forward rate agreements and interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Sub total (ii)	-	-	-	-
(iii) Credit derivatives:	-	-	-	-
(iv) Equity linked derivatives:	-	-		
(v) Other derivatives:	-	-		-
Total derivative financial instruments (i+ii+iii+iv+v)	5,218.44	5.49	-	-

Hedging activities and derivatives
The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk . The Company's risk management strategy and how it is applied to manage risk are explained in Note 49.

Derivatives designated as hedging instruments
The Company has not designated any derivatives as hedging instruments.

Derivatives not designated as hedging instruments
The Company uses foreign exchange forward contracts to manage its foreign currency risk arising from borrowings in foreign currencies.

Details of the derivative instruments are given below:

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Notional amounts	Fair value - liabilities	Notional amounts	Fair Value - liabilities
Interest rate risk:				
-Interest rate swaps	-	-	-	-
-Futures	-	-	-	-
Foreign currency risk:	-	-	-	-
-Currency futures				
-Currency swaps	-	-	-	-
-Forward contracts	5,218.44	5.49		
Total	5,218.44	5.49	-	-

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Note 17: Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
I) Total outstanding dues of micro enterprises and small enterprises	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry creditors	375.76	308.62
Outstanding expenses	877.47	819.06
Total	1,253.23	1,127.68

Trade payables ageing schedule as at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following years from due date of Transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
(ii) Others	1,227.60	0.94	2.11	22.58	1,253.23
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - others	-	-	-	-	-
	1,227.60	0.94	2.11	22.58	1,253.23

Trade payables ageing schedule as at March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-
(ii) Others	1,075.73	2.77	29.25	19.93	1,127.68
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - others	-	-	-	-	-
	1,075.73	2.77	29.25	19.93	1,127.68

Note 18: Debt securities

(₹ in Lakh)

Particulars	As at March 31, 2022				As at March 31, 2021			
		At Fair Value				At Fair Value		
	At amortised cost	Through profit or loss	Designated through profit or loss	Total	At amortised cost	Through profit or loss	Designated through profit or loss	Total
Privately placed redeemable non-convertible debentures								
Secured	48,324.47	-	-	48,324.47	50,412.97	-	-	50,412.97
Unsecured	5,005.15	-	-	5,005.15	7,476.85	-	-	7,476.85
Total (A)	53,329.62	-	-	53,329.62	57,889.82	-	-	57,889.82
Debt securities in India	53,329.62	-	-	53,329.62	57,889.82	-	-	57,889.82
Debt securities outside India	-	-	-	-	-	-	-	-

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Detail of redeemable non-convertible debentures

(₹ in Lakh)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (₹ in Lakh)	Total number of debentures	Rate of interest p.a.	As at March 31, 2022 (Face Value)	As at March 31, 2022	As at March 31, 2021 (Face Value)	As at March 31, 2021	Secured/ Unsecured
							Amount	Amount	Amount	Amount	
1	INE432R08016	09-May-19	09-May-21	1.00	2500	10.60%	-	-	2,500.00	2,513.00	Unsecured
2	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	-	-	2,000.00	2,142.46	Secured by specified loan recievables
3	INE432R07208	14-Feb-18	12-Aug-21	10.00	350	8.97%	-	-	3,500.00	3,539.24	Secured by specified loan recievables
4	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	-	-	4,500.00	4,708.77	Secured by specified loan recievables
5	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	-	-	1,500.00	1,568.27	Secured by specified loan recievables
1	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	-	-	1,500.00	1,534.72	Secured by specified loan recievables
2	INE432R07232	21-Sep-20	21-Mar-22	10.00	1000	8.15%	-	-	10,000.00	9,983.63	Secured by specified loan recievables
3	INE432R07240	23-Oct-20	22-Apr-22	10.00	1000	8.15%	10000.00	10356.59	10,000.00	10,344.85	Secured by specified loan recievables
4	INE432R08024	09-May-19	09-May-22	1.00	2500	10.60%	2500.00	2513.82	2,500.00	2,488.13	Unsecured
5	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2500.00	2703.33	2,500.00	2,699.23	Secured by specified loan recievables
6	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1500.00	1620.87	1,500.00	1,618.41	Secured by specified loan recievables
7	INE432R08032	09-May-19	09-May-23	1.00	2500	10.60%	2500.00	2491.33	2,500.00	2,475.73	Unsecured
8	INE432R07224	05-Jun-20	05-Jun-23	10.00	400	8.55%	4000.00	4272.16	4,000.00	4,264.59	Secured by specified loan recievables
9	INE432R07281	30-Nov-21	30-Jun-23	10.00	1000	7.68%	10000.00	10248.58	-	-	Secured by specified loan recievables
10	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4000.00	4165.27	4,000.00	4,153.85	Secured by specified loan recievables
11	INE432R07299	04-Mar-22	04-Mar-25	10.00	1000	7.45%	10000.00	10022.91	-	-	Secured by specified loan recievables & specified assets held for sale
12	INE432R07257	11-Dec-20	11-Dec-30	10.00	170	9.60%	1700.00	1735.38	1,700.00	1,733.74	Secured by specified loan recievables
13	INE432R07265	15-Jan-21	15-Jan-31	10.00	210	9.42%	2100.00	2123.24	2,100.00	2,121.20	Secured by specified loan recievables
14	INE432R07273	03-May-21	02-May-31	10.00	100	9.32%	1000.00	1076.14	-	-	Secured by specified loan recievables
Total amount							51,800.00	53,329.62	56,300.00	57,889.82	

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 loan receivables/ asset held for sale in favour of the trustee appointed

Note 19: Borrowings

Notes to financial statements for the year ended March 31, 2022

(₹ in Lakh)

Particulars	As at March 31, 2022				As at March 31, 2021			
		At Fair value				At Fair value		
	At amortised cost	Through profit or loss	Designated through profit or loss	Total	At amortised cost	Through profit or loss	Designated through profit or loss	Total
Secured :								
Term Loan								
From Banks	255,785.70	-	-	255,785.70	223,308.91	-	-	223,308.91
From National Housing Bank	55,463.27	-	-	55,463.27	8,981.52	-	-	8,981.52
From Financial Institutions	6,451.36	-	-	6,451.36	14,505.33	-	-	14,505.33
From Banks - Securitization	5,777.43	-	-	5,777.43	7,412.99	-	-	7,412.99
Loans repayable on demand from banks								
Cash credit	11,358.96	-	-	11,358.96	985.94	-	-	985.94
Working capital demand loan	1,500.67	-	-	1,500.67	4,999.13	-	-	4,999.13
Total (A)	336,337.39	-	-	336,337.39	260,193.82	-	-	260,193.82
Borrowings in India	336,337.39	-	-	336,337.39	260,193.82	-	-	260,193.82
Borrowings outside India	-	-	-	-	-	-	-	-

1. The Company has not defaulted in the repayment of debt securities, borrowings (other than debt securities)and interest thereon for the year ended March 31, 2022 and March 31, 2021.
2. The quarterly returns filed by the company with banks or financial institutions are in agreement with the books of accounts.

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19(a) Term loan form banks

(₹ in Lakh)

Terms of repayment	As at March 31, 2022			As at March 31, 2021		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	3.24% to 8.9%	4 - 60 monthly, quarterly, half yearly installments	80,727.01	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	51,365.07
12-24 months	3.24% to 8.9 %	4 - 60 monthly, quarterly, half yearly installments	64,055.07	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	64,887.71
24-36 months	3.24% to 8.9%	8 - 60 monthly, quarterly, half yearly installments	58,532.13	7.60 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	44,838.59
36-48 months	3.24% to 8.20%	8 - 60 monthly, quarterly, half yearly installments	41,778.89	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly installments	39,329.96
48-60 months	3.24% to 8.00%	8 - 60 monthly, quarterly, half yearly installments	10,692.60	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly installments	22,887.58
Total			255,785.70			223,308.91

Nature Of Security

Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

19(b) Loan from National Housing Bank

(₹ in Lakh)

Terms of repayment	As at March 31, 2022			As at March 31, 2021		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount	Rate of interest	Repayment details	Amount
0-12 months	2.94% - 7.45%	20 - 39 quarterly installments	6934.20	7.10%	20 quarterly installments	2055.00
12-24 months	2.94% - 7.45%	20 - 39 quarterly installments	9245.60	7.10%	20 quarterly installments	2740.00
24-36 months	2.94% - 7.45%	20 - 39 quarterly installments	7952.12	7.10%	20 quarterly installments	2740.00
36-48 months	2.94% - 6.45%	27 - 39 quarterly installments	6505.60	7.10%	20 quarterly installments	1446.52
48-60 months	2.94% - 6.45%	20 - 39 quarterly installments	6505.60			
More than 60 months	2.94% - 6.45%	20 - 39 quarterly installments	18320.15			
Total			55,463.27			8,981.52

19(c) Loan from Financial Institutions

(₹ in Lakh)

Terms of repayment	As at March 31, 2022			As at March 31, 2021		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount		Repayment details	Amount
0-12 months	8.10% - 9.50%	28 - 120 monthly, quarterly installments	590.35	10.35%	120 monthly installments	834.64
12-24 months	8.10% - 9.50%	20 - 120 monthly, quarterly installments	752.61	10.35%	120 monthly installments	1006.48
24-36 months	8.10% - 9.50%	20 - 120 monthly, quarterly installments	787.94	10.35%	120 monthly installments	1114.65
36-48 months	8.10% - 9.50%	27 - 120 monthly, quarterly installments	825.87	10.35%	120 monthly installments	1241.26
48-60 months	8.10% - 9.50%	27 - 120 monthly, quarterly installments	865.68	10.35%	120 monthly installments	1378.26
More than 60 months	8.10% - 9.50%	27 - 120 monthly, quarterly installments	2628.91	10.35%	120 monthly installments	8930.04
Total			6,451.36			14,505.33

Nature Of Security

Loan from financial institutions is secured by way of exclusive charge on specified loan receivables.

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19(d) Term loan from banks -Securitisation

(₹ in Lakh)

Terms of repayment	As at March 31, 2022			As at March 31, 2021		
Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount		Repayment Details	Amount
0-12 months	7.94% - 8.80%	202-278 installments of monthly frequency	366.64	7.99% - 8.90%	227-290 installments of monthly frequency	610.77
12-24 months	7.94% - 8.80%	202-278 installments of monthly frequency	267.61	7.99% - 8.90%	227-290 installments of monthly frequency	260.23
24-36 months	7.94% - 8.80%	202-278 installments of monthly frequency	295.62	7.99% - 8.90%	227-290 installments of monthly frequency	289.77
36-48 months	7.94% - 8.80%	202-278 installments of monthly frequency	323.24	7.99% - 8.90%	227-290 installments of monthly frequency	321.97
48-60 months	7.94% - 8.80%	202-278 installments of monthly frequency	353.27	7.99% - 8.90%	227-290 installments of monthly frequency	357.27
More than 60 months	7.94% - 8.80%	202-278 installments of monthly frequency	4,171.05	7.99% - 8.90%	227-290 installments of monthly frequency	5,572.98
Total			5,777.43			7,412.99

Nature Of Security
Secured by an exclusive charge by way of hypothecation on specified loan receivables.

19(e) Loans repayable on demand from Banks

Cash credit

(₹ in Lakh)

Terms of repayment	As at March 31, 2022			As at March 31, 2021		
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	Amount		Repayment details	Amount
0-12 months	7.8% - 9%	Loan repayable on demand	11,358.96	7.90% - 9.35%	Loan repayable on demand	985.94

Working capital demand loans

(₹ in Lakh)

Terms of repayment				
Tenure (from date of balance sheet date)	Rate of interest	Repayment details	As at March 31,2022	As at March 31,2021
0-12 months	8.20%	Bullet payment	1,500.67	4,999.13

Nature of security
Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified loan receivables.

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Notes to financial statements for the year ended March 31, 2022

Note 20: Lease liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	1,470.36	1,006.12
Total	1,470.36	1,006.12

20(a): The Company has elected to apply the practical expedient as provided in paragraph 46A of Ind AS 116 whereby the Company has not treated as lease modification, the rent concessions occurring directly as a result of the Covid-19 pandemic. The Company has applied this practical expedient to all rent concessions it has received. The amount recognised in the statement of profit and loss for the year to reflect changes in lease payments arising from rent concessions is Rs.79.88 Lakh (March 31,2021 : 78.40 Lakh) (Refer Note no. 31)

20(b): Reconciliation of future minimum lease payment on lease liability

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Within one year	249.72	450.37
After one year but not more than five years	804.69	412.30
More than five years	415.95	143.45
Total	1,470.36	1,006.12

20(c): Movement in lease liability

(₹ in Lakh)

Sr No.	Class of underlying asset	Opening balance of lease liabilities (balance as on 01.04.2021)	Additions to lease liabilities, made during the year	Remeasurements during the year	Finance cost accrued during the year	Payment of lease liabilities during the year	Amount of lease liabilities as on March 31, 2022
1	Buildings	840.38	923.91	(2.65)	86.52	(433.26)	1,414.90
2	Furniture & fixtures	154.08	29.13	(4.88)	8.58	(139.72)	47.19
3	Car	11.66	-	-	0.92	(4.31)	8.27

(₹ in Lakh)

Sr No.	Class of underlying asset	Opening balance of lease liabilities (Balance as on 01.04.2020)	Additions to lease liabilities, made during the year	Remeasurements during the year	Finance cost accrued during the year	Payment of lease liabilities during the year	Amount of lease liabilities as on March 31, 2021
1	Buildings	884.42	277.72	(37.91)	73.32	(357.17)	840.38
2	Furniture & fixtures	273.82	-	-	20.17	(139.91)	154.08
3	Car	14.73	-	-	1.24	(4.31)	11.66

20(d): The table below provides details regarding the contractual maturities of lease liabilities:

(₹ in Lakh)

	As at March 31, 2022		As at March 31, 2021	
Particulars	Undiscounted basis	Discounted basis	Undiscounted basis	Discounted basis
Not later than one year	342.71	249.73	522.87	450.37
Later than one year but not later than five years	978.48	804.69	528.50	412.30
Later than 5 years	598.83	415.94	161.24	143.45
Total	1920.02	1,470.36	1212.61	1006.12

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20(e): Qualitative disclosures:

The leased building premises , furniture & fixtures are used to carry out business operations and related support activities. The car is sub leased to the employee. 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. In 6 cases, security deposit is paid but lease is not yet commenced. There are no restrictions or covenants are imposed by lease agreements.

Note 21: Other financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Temporary book overdrafts	1,202.61	0.00
Employee benefit payable	833.63	503.42
Payable on account of assignment	2,576.86	1,695.68
Other liabilities	285.30	191.73
Total	**4,898.40**	**2,390.83**

Note 22: Provisions

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for non funded exposure	271.66	107.41
Provision for employee benefits		
- Gratuity	31.31	92.60
Provision for lease rent	8.96	17.45
Total	**311.93**	**217.46**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 49

(Rs in Lakh)

Internal rating grade	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	46,145.19			46,145.19	18,207.08			18,207.08
Standard grade	127.87			127.87	60.60			60.60
Sub-standard grade		129.42		129.42		86.38		86.38
Past due but not impaired				-		54.15		54.15
Non- performing								
Individually impaired	-	-	-	-	-	-	-	-
Total	**46,273.06**	**129.42**	**-**	**46,402.48**	**18,267.68**	**140.53**	**-**	**18,408.21**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Gross exposure reconciliation

(₹ in Lakh)

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	18,267.68	140.53	-	18,408.21	18,655.71	62.27	-	18,717.98
New exposures	41,008.47			41,008.47	14,628.63			14,628.63
Exposures derecognised or matured/lapsed (excluding write-offs)	(12,896.68)	(117.52)		(13,014.20)	(14,897.60)	(40.80)		(14,938.40)
Transfers to Stage 1	40.56	(40.56)		-				-
Transfers to Stage 2	(146.97)	146.97		-	(119.06)	119.06		-
Transfers to Stage 3				-				-
Closing balance of outstanding exposure	**46,273.06**	**129.42**	**-**	**46,402.48**	**18,267.68**	**140.53**	**-**	**18,408.21**

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Reconciliation of ECL balance is given below:

(₹ in Lakh)

	Year ended March 31, 2022				Year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	103.20	4.21	-	107.41	126.90	2.44	-	129.34
New exposures	231.31			231.31	83.22			83.22
Exposures derecognised or matured (excluding write-offs)	(68.67)	(2.55)		(71.22)	(106.22)	(1.69)		(107.91)
Transfers to Stage 1	1.65	(1.65)		-				-
Transfers to Stage 2	(1.01)	1.01		-	(0.70)	0.70		-
Transfers to Stage 3				-			-	-
Impact on year end ECL of exposures transferred between stages during the year		4.16		4.16		2.76		2.76
ECL allowance - closing balance	**266.48**	**5.18**	**-**	**271.66**	**103.20**	**4.21**	**-**	**107.41**

Note 23: Other non financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	278.68	264.75
Retention money and other sundry liabilities	3.67	1.27
Total	**282.35**	**266.02**

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Note 24: Equity

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
EQUITY SHARE CAPITAL		
Authorised:		
40,00,00,000(Previous Year : 22,00,00,000) equity shares of Rs. 10/- each	40,000.00	22,000.00
Ordinary Shares		
Issued and fully paid		
Issued, subscribed and fully paid up:		
32,52,71,112 (Previous Year : 21,41,60,000) equity shares of Rs. 10/- each	32,527.11	21,416.00
Total Equity	**32,527.11**	**21,416.00**

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 Lakh)	Rs. (in Lakh)
As at March 31,2020	**2,141.60**	**21,416.00**
Issued during the year	-	-
As at March 31, 2021	**2,141.60**	**21,416.00**
Issued during the year	1,111.11	11,111.11
As at March 31, 2022	**3,252.71**	**32,527.11**

b **Terms/ rights attached to equity shares**
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

c **Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**
Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

No. (in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Shriram City Union Finance Limited	2,765.51	1,654.40
Total	**2,765.51**	**1,654.40**

d Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. in Lakh	% holding in the class	No. in Lakh	% holding in the class
Shriram City Union Finance Limited	2,765.51	85.02%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	14.98%	487.20	22.75%

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e For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note No. 40

f Details of shareholding by promoters:

Shares held by promoters at the end of the year			(No. in Lakh) % Change during the year
Promoter name	No. of Shares	%of total shares	Increase/ (Decrease)
Shriram City Union Finance Limited	2,765.51	85.02%	7.77%

g There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

Note 25: Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & section 36(1)(viii) of Income tax act, 1961)	6,599.21	4,985.49
Security premium	50,982.70	12,180.00
Retained earnings (surplus/deficit in profit & loss account)	25,047.50	18,627.10
Deemed investment	183.91	183.91
Share option outstanding	330.56	180.63
Other comprehensive income	88.32	73.92
Total	**83,232.20**	**36,231.05**

Note 25 (a) : Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium account		
Balance at beginning of the Year	**12,180.00**	**12,180.00**
Add: Premium on shares issued during the year	38,888.89	-
Less: Right issue expenses	(86.19)	-
Balance at end of the year	**50,982.70**	**12,180.00**
Share option outstanding		
Balance at beginning of the Year	**180.63**	**77.30**
Add: Other additions/ deductions during the year	149.93	105.14
Add: Transferred to retained earning	-	(1.81)
Balance at end of the year	**330.56**	**180.63**
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & section 36(1)(viii) of Income tax act, 1961)		
Balance at beginning of the Year	**4,985.49**	**3,731.49**
Add: Transfer from surplus balance in the statement of profit and loss	1,613.72	1,254.00
Balance at end of the year	**6,599.21**	**4,985.49**
Surplus in statement of profit and loss		
Balance at beginning of the year	**18,627.10**	**13,640.99**
Add: Profit for the year	8,034.12	6,238.30
Transfer from / (to) share option outstanding	-	1.81
Transfer to statutory reserve	(1,613.72)	(1,254.00)
Balance at end of the year	**25,047.50**	**18,627.10**
Other comprehensive income		
Balance at beginning of the Year	**73.92**	**71.58**
Remeasurement gain/ (loss) on defined benefit plan	19.24	3.12
Income tax provision/ (reversal) on above	(4.84)	(0.78)
Balance at end of the year	**88.32**	**73.92**
Deemed investment		
Balance at beginning of the Year	**183.91**	**183.91**
Add: Other additions/ deductions during the year	-	-
Balance at end of the year	**183.91**	**183.91**

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Note 25 (b) : Other Equity

Nature and purpose of Reserves

Statutory reserve
The 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 Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Securities premium reserve:
Securities premium reserve is used to record the premium on issue of shares. 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.

Retained earnings:
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, any appropriation made.

Deemed investment
The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd" acted as a Corporate guarantor.

The Fair value of financial guarantee so received has been classified as "Deemed investments".

ESOP reserve:
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 40 for further details of these plans.

Other comprehensive income
Remeasurement gain/loss related to defined benefit liability/assets is recognised as other comprehensive income.

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Note 26: Interest income (₹ in Lakh)

Particulars	For the Year ended March 31, 2022				For the Year ended March 31, 2021			
	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total
Interest on loans	44,634.13	-	-	44,634.13	31,380.72	-	-	31,380.72
Interest income from investments	625.03	125.64	-	750.67	35.37	177.51	-	212.88
Interest on deposits								-
-Margin money deposit with Bank	73.56	-	-	73.56	47.30	-	-	47.30
-Deposit with financial institutions	188.33	-	-	188.33	27.50	-	-	27.50
-Deposit with bank	606.33	-	-	606.33	592.37	-	-	592.37
Interest income on security deposits	29.33	-	-	29.33	42.75	-	-	42.75
Interest income on assignment (EIS)	148.84	-	-	148.84	31.16	-	-	31.16
Total	**46,305.55**	**125.64**	**-**	**46,431.19**	**32,157.17**	**177.51**	**-**	**32,334.68**

Note 27: Fees & commission income (₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Servicing fees	40.51	19.24
Income from other services	515.97	320.96
Commission fees	4.44	9.70
Total	**560.92**	**349.90**

Revenue from contract with customer (₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(i) Type of service		
- Fees and commission income	44.95	28.94
- Income from other services	515.97	320.96
Total	**560.92**	**349.90**
(ii) Primary geographical market		
- Outside India	-	-
- India	560.92	349.90
Total revenue from contract with customer	**560.92**	**349.90**
(iii) Timing of revenue recognition		
- At a point in time upon rendering services	-	-
- Over a period of time upon rendering services	560.92	349.90
Total	**560.92**	**349.90**
(iv) Trade receivable towards contract with customers		
- Opening balance	-	-
- Closing balance	-	-
(v) Impairment on trade receivables towards contract with customers	-	-

As on 31st March 2022/2021, the Company doesn't have any unsatisfied/partially satisfied performance obligation.

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Note 28: Net gain/ (loss) on fair value changes

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	815.27	775.29
- Derivatives	-	
- Others	-	
(ii) On financial instruments designated at fair value through profit or loss	0.09	-
(B) Others (to be specified)		
Total Net gain/(loss) on fair value changes (C)	**815.36**	**775.29**
Fair Value changes: -Realised	815.27	840.56
-Unrealised	0.09	(65.27)
Total net gain/(loss) on fair value changes(D) to tally with (C)	**815.36**	**775.29**
Total	**815.36**	**775.29**

Note 29: Net gain on derecognition of financial instruments under amortised cost category

(₹ in Lakh)

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021			
	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	On financial assets measured at fair value through OCI	On financial assets classified at fair value through profit or loss	Total
Net gain on assignment	5,508.35	-	-	5,508.35	7,390.05	-	-	7,390.05
Total	**5,508.35**	-	-	**5,508.35**	**7,390.05**	-	-	**7,390.05**

Note 30: Other operating Income

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Processing fees	445.16	466.48
Dividend income	0.41	-
Bad debts recovered	203.19	242.57
Other charges	862.64	353.93
Total	**1,511.40**	**1,062.98**

Note 31: Other income

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Gain on derecognition of property, plant and equipment	1.25	4.59
Interest on lease receivable	0.93	1.24
Income from subleasing of right of use assets	7.23	69.19
Interest on income tax refund	-	162.84
Miscellaneous income	0.01	1.50
Lease rent waiver	79.88	78.40
Gain on remeasurement of Leases	1.03	3.39
Total	**90.33**	**321.15**

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Note 32: Finance cost

(₹ in Lakh)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial liabilities measured at amortised cost	On financial liabilities measured through profit or loss	Total	On financial liabilities measured at amortised cost	On financial liabilities measured through profit or loss	Total
Interest on bank borrowings	20,318.05	-	20,318.05	13,957.15	-	13,957.15
Interest on loan from financial institutions	2,320.52	-	2,320.52	1,498.55	-	1,498.55
Interest on debt securities	4,783.67	-	4,783.67	4,778.69	-	4,778.69
Interest on lease liability	96.02	-	96.02	94.73	-	94.73
Interest on securitization loans	539.68	-	539.68	384.07	-	384.07
Guarantee commission	-	-	-	117.13	-	117.13
Interest cost on net defined liability	2.11	-	2.11	3.41	-	3.41
Total	**28,060.05**	**-**	**28,060.05**	**20,833.73**	**-**	**20,833.73**

Note 33: Impairment of financial assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial liabilities measured at Amortised cost	On financial instrument measured at fair value through OCI	Total
Loans and advances to customers	397.27	-	397.27	1,253.16	-	1,253.16
Loan undrawn commitments	164.25	-	164.25	(21.93)	-	(21.93)
Investments	5.47	(0.55)	4.92	0.79	(0.58)	0.21
Excess interest spread receivable on assignments	(242.43)	-	(242.43)	185.53	-	185.53
Lease receivables	(0.16)	-	(0.16)	(0.22)	-	(0.22)
Bad debts written off (including on assets held for sale)	755.95		755.95	596.52		596.52
Total	**1,080.35**	**(0.55)**	**1,079.80**	**2,013.85**	**(0.58)**	**2,013.27**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

((₹ in Lakh))

Particulars	For the year ended March 31, 2022						For the year ended March 31, 2021					
	General approach						General approach				Simplified approach	
	Stage 1	Stage 2	Stage 3	Additional provision	Simplified Approach	Total	Stage 1	Stage 2	Stage 3	Additional provision		Total
Loans and advances to customers	1,016.90	(56.68)	437.05	(1,000.00)		397.27	935.90	(30.45)	347.71		-	1,253.16
Loan undrawn commitments	163.28	0.97	-		-	164.25	(23.71)	1.78	-		-	(21.93)
Investments	4.92	-	-		-	4.92	0.21	-	-		-	0.21
Excess interest spread receivable on assignments	(197.56)	(14.95)	(29.92)		-	(242.43)	126.08	23.18	36.27		-	185.53
Lease receivables	-	-	-		(0.16)	(0.16)	-	-	-		(0.22)	(0.22)
Total impairment loss	**987.54**	**(70.66)**	**407.14**	**(1,000.00)**	**(0.16)**	**323.86**	**1,038.48**	**(5.49)**	**383.98**	**-**	**(0.22)**	**1,416.75**

Note 34: Employee benefit expenses

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and wages	7,740.65	5,983.82
Contribution to provident and other fund	204.27	210.58
Gratuity expenses	78.15	71.41
Share based payments to employees	149.93	105.14
Interest expenses on staff loan	23.73	22.91
Staff welfare expenses	327.04	252.80
Total	**8,523.77**	**6,646.66**

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Note 35: Depreciation, amortization & impairment

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation of tangible assets	163.72	164.76
Amortization of intangible assets	138.76	137.49
Depreciation of right of use assets	484.54	426.07
Total	**787.02**	**728.32**

Note 36: Other expenses

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rent	112.69	109.10
Printing & stationery	128.53	73.08
Travelling and conveyance	489.90	233.82
Business promotion	32.30	37.37
Communication	107.44	56.91
Director's sitting fees	22.34	12.26
Electricity	54.55	50.04
Insurance	15.16	20.54
Bank charges	21.22	12.80
Payment to auditors		
- Statutory audit fees	30.52	16.49
- Tax audit fees	4.09	5.45
- Out of pocket expenses	0.06	-
- Certification fees	-	2.18
Royalty	597.52	461.16
Professional charges	944.89	739.84
Office maintenance	285.95	191.18
Business commission	1,754.12	867.80
Postage & courier	61.86	40.26
Rates, duties & taxes	13.42	93.86
Mortgage guarantee Fee	92.61	117.56
Corporate social responsibility	128.12	78.64
Loss on derecognition of property, plant and equipment	7.71	58.62
Advertisement	59.27	0.79
Collection & recovery	479.51	238.21
Miscellaneous expenditure	108.71	70.49
Total	**5,552.49**	**3,588.45**

Details of CSR expenditure:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	117.24	89.52
b) Amount spent during the year		
i) On purposes of construction/acquisition of any asset	-	-
ii) On purposes other than (i) above		
- Contribution to various Trust/NGOs/Societies/Agencies and utilisation thereon *	100.81	60.00
- Expenditure towards COVID testing, Rapid test kit, masks, PPE kits, RTPCR, Vaccination	27.31	18.64
c) The amount of shortfall at the end of the year **	-	10.87
d) The total of previous years' shortfall amounts	-	-
Total amount spent during the year	**128.12**	**78.64**

*There is no contribution to related party (March 31, 2021 Rs. Nil)

** During the last year the company was generally expending the CSR amount as per the plan, however due to Covid 19 situation emerging in last quarter of 2020-21 an amount of Rs. 10.87 Lakh could not be expensed and was subsequently transferred to PM CARES Fund.

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Note 37: Income Tax
The components of income tax expense for the year ended March 31, 2022 are:

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax	2,092.65	935.98
Tax relating to earlier years	143.16	(190.33)
Deferred tax	644.48	1,439.66
Total tax charge	**2,880.29**	**2,185.31**

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 India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended March 31, 2022 and March 31, 2021 is, as follows:

(₹ in Lakh)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit before tax	10,914.42	8,423.62
Statutory income tax rate	25.17%	25.17%
Expected income tax expense	2,746.94	2,120.06
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	-	(144.00)
Earlier year tax effect	143.16	(190.33)
Non deductible expense	32.25	13.50
Deduction 80JJAA	(4.23)	(3.88)
Others	(37.83)	389.96
Income tax expense reported in the statement of profit & Loss	**2,880.29**	**2,185.31**

Note 38: Deferred Tax
The following table shows deferred tax recorded in the balance sheet as at March 31, 2022:

(₹ in Lakh)

Particulars	Deferred tax As at March 31, 2021	Income statement 2021-22	OCI 2020-21	Deferred tax As at March 31, 2022
Deferred tax asset/ (liabilities) in relation to :				
Property plant equipment's & intangible assets	22.80	(14.02)		36.82
ECL provision on undrawn loan commitments & investments	27.34	(41.03)		68.37
Unamortized income	20.99	7.37		13.62
ESOP fair value	47.66	(34.28)		81.94
ECL on loan & advances	1,106.78	74.60		1,032.18
ECL on interest reversal on NPA	84.40	(10.39)		94.79
Provision for employee benefits	(44.52)	20.28	(4.84)	(69.64)
Unamortized expenses	(56.79)	(28.60)		(28.19)
Provision for lease rental	12.38	(2.03)		14.41
NCD expenses & borrowing cost as per EIR	(17.85)	(8.52)		(9.33)
Special reserve u/s 36 1(viii)	(607.70)	225.52		(833.22)
Net right to use asset and future rent liability	21.55	9.31		12.24
Excess interest spread receivables on assignments	(3,153.99)	446.28		(3,600.27)
Total	**(2,536.95)**	**644.49**	**(4.84)**	**(3,186.28)**

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Note 39: Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of 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 wherever applicable) 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.

(₹ in Lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit attributable to ordinary equity holders of the Company (Rs in Lakhs)	8,034.13	6,238.31
Weighted average number of ordinary shares for basic earnings per share (No in Lakh)	2,844.19	2,141.60
Effect of dilution:		-
Stock options granted under ESOP (Nos.in Lakh)	13.95	9.92
Weighted average number of ordinary shares adjusted for effect of dilution	2,858.14	2,151.52
Earnings per share		
Basic earnings per share (Rs.)	2.82	2.91
Diluted earnings per share (Rs.)	2.81	2.90

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Note 40: Employee stock option scheme (ESOS)
The company provides share-based payment schemes to its employees. For the year ended March 31, 2022 following employee stock option plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I - 16)	ESOP Scheme 2013 (Tranche III - 13)	ESOP Scheme 2016 (Tranche II - 16)
Date of shareholder's approval of plan	March 28, 2013	March 28, 2013	December 13, 2016	March 28, 2013	December 13, 2016
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 01, 2020	February 23, 2021	01 November, 2021
Number of options granted	350,000	25,00,000	1,240,000	500,000	1,570,000
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting period	3 - 5 years	3 - 10 years	1 - 3 years	1 - 8 years	1 - 3 years
Exercise price	10.00	10.00	35.00	10.00	35.00
Exercise period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options
Vesting conditions	Employee remaining in the employment of the enterprise during the vesting period				

Details of vesting

Vesting period from the grant date	ESOP Scheme 2013 (Tranche I - 13)	ESOP Scheme 2013 (Tranche II - 13)	ESOP Scheme 2016 (Tranche I & II - 16)	ESOP Scheme 2013 (Tranche III - 13)
Completion of 1 year	-	-	33.33%	12.50%
Completion of 2 year	-	-	33.33%	12.50%
Completion of 3 year	-	12.50%	33.33%	12.50%
Completion of 4 year	50%	12.50%	-	12.50%
Completion of 5 year	50%	12.50%	-	12.50%
Completion of 6 year	-	12.50%	-	12.50%
Completion of 7 year	-	12.50%	-	12.50%
Completion of 8 year	-	12.50%	-	12.50%
Completion of 9 year	-	12.50%	-	-
Completion of 10 year	-	12.50%	-	-

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Details of activity under each plan

	ESOP Scheme 2013 (Tranche I - 13)		ESOP Scheme 2013 (Tranche II - 13)		ESOP Scheme 2016 (Tranche I & II - 16)		ESOP Scheme 2013 (Tranche III- 13)	
Particulars	**No. of Options**	**Weighted Avg. Exercise Price**	**No. of Options**	**Weighted Avg. Exercise Price**	**No. of Options**	**Weighted Avg. Exercise Price**	**No. of Options**	**Weighted Avg. Exercise Price**
Outstanding as at March 31, 2021	**60,000**	**10**	2,500,000	10	1,240,000	35	500,000	**10**
Vested as at March 31, 2021	**5,000**		-	-	413,333			
Opening Balance in ESOP Reserve								
Outstanding as at 1 April 2021	60,000	10	2,500,000	10	1,240,000	35	500,000	10
Granted during the year	-	-	-	-	1,570,000	35	-	-
Forfeited during the year	-	10	-	-	(45,000)	35	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Outstanding as at March 31, 2022	**60,000**	**10**	**2,500,000**	**10**	**2,765,000**	**35**	**500,000**	**10**
Vested as at March 31, 2022	**-**	**-**	**312,500**	**-**	**413,333**	**-**	**62,500**	**-**

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

Particulars	**ESOP Scheme 2013 (Tranche I - 13)**	**ESOP Scheme 2013 (Tranche II - 13)**	**ESOP Scheme 2016 (Tranche I - 16)**	**ESOP Scheme 2013 (Tranche III - 13)**	**ESOP Scheme 2016 (Tranche II - 16)**
Risk-free interest rate	7.26% - 7.42%	7.08% - 7.68%	5.75% - 6.03%	5.45% - 6.46%	4.96% - 5.70%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	6.50 - 7.50 Years	5.5 - 12.5 Years	3.5 - 5.5 Years	3.5 - 10.5 Years	2.50 - 4.50 Years
Expected volatility (%)	40.56% - 43.90%	36.58% - 42.21%	40.76% - 42.76%	36.00% - 40.16%	31.01% - 36.98%
Dividend yield	0%	0%	0%	0%	0%
Weighted average remaining contractual life (in years)	-	3.26	0.28	3.26	1.59

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

For details of options granted to the key managerial employees refer note 43.

The expense recognised for employee services received during year ended March 31, 2022 is shown in the following table:

	year ended March 31, 2022	**year ended March 31, 2021**
Expense arising from equity-settled share based payment transactions	149.93	105.14
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**149.93**	**105.14**

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Note 41: Retirement benefit plan

Defined contribution plan

The Company makes Provident Fund and Employee State Insurance Scheme 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 recognized Rs. 194.34 Lakh for year ended March 31, 2022 (March 31, 2021 Rs. 199.03 Lakh) for Provident Fund contributions and Rs. 9.93 Lakh for the year ended March 31, 2022 (March 31, 2021 Rs 11.55 Lakh) for Employee State Insurance Scheme contributions 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. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:
1. Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
2. Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation
3. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
4. Investment risk : For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
5. Legislative risk : Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Amount recognised in the Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	79.87	71.27
Interest cost on benefit obligation	13.83	11.08
Expected return on plan assets	(11.72)	(8.23)
Net (benefit) / expense	81.98	74.12

* Gratuity expenses as per note 34 of the statement of Profit and Loss for the year ended March 31, 2022 is after providing for shortfall in Gratuity Fund account

Amount recognised in the Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation	(261.82)	(211.52)
Fair value of plan assets	230.51	118.92
Asset/(liability) recognized in the balance sheet	(31.31)	(92.60)

*Gratuity Provision is in excess of Fair Value of Assets as on March 31, 2022 as disclosed under "Note 22 - Provisions" is after netting off amount paid to trust.

Amount recognised in the Other Comprehensive Income

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to change in financial assumptions	10.98	5.10
Due to change in experience adjustments	7.13	3.10
(Return) on plan assets (excl. interest income)	1.14	(1.92)
Total Other Comprehensive Income	19.25	6.28

Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	211.52	159.72
Transfer in/Out	(2.69)	(2.40)
Interest cost	13.83	11.08
Current service cost	79.87	71.28
Liability transferred in/on account of transfer of employees		
Benefits paid	(22.60)	(25.04)
Actuarial loss / (gain) on obligation	(18.11)	(3.12)
Closing defined benefit obligation	261.82	211.52

Changes in the fair value of plan assets are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening fair value of plan assets	118.92	138.27
Interest Income	11.72	8.23
Expected return	(2.69)	(2.54)
Contributions by employer & others Exp	124.02	0.00
Adjustment / transfer	-	-
Benefits paid	(22.60)	(25.04)
Actuarial loss / (gain) on obligation	1.14	-
Closing fair value of plan assets	230.51	118.92

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.34%	6.91%
Salary escalation	5.00%	5.00%
Attrition rate	5.00%	5.00%
Mortality table	IALM (2012-14)	IALM (2012-14)
Normal retirement age	58 Years	58 Years

The estimates of future salary increases, considered in actuarial valuation are on account of inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current year and previous four years are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Define benefit obligation	(261.82)	(211.52)	(159.72)	(144.44)	(191.06)	(150.42)
Plan assets	230.51	118.92	138.27	158.54	180.03	150.42
Surplus/(deficit)	(31.31)	(92.60)	(21.45)	14.10	(11.03)	-

(₹ in Lakh)

Assumptions	As at March 31, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2021	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	23.10	(26.64)	(27.90)	24.87	20.25	(23.57)	(24.85)	21.64

(₹ in Lakh)

Expected payment for future years	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	8.73	6.60
Between 2 and 5 years	71.98	50.48
Between 6 and 10 years	132.94	93.12
Total expected payments	213.65	150.20

The weighted average duration of the defined benefit obligation as at March 31, 2022 is 10.62 Years (March 31, 2021: 14.61 Years)

The fund is administered by "Shriram Housing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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Note 42: 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.

Particulars	As at March 31, 2022			As at March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	2,676.51	2,500.86	5,177.37	10,113.47	-	10,113.47
Bank balance other than above	16,800.09	977.27	17,777.36	2,922.54	1,478.50	4,401.04
Loans	116,899.58	335,315.17	452,214.75	87,181.76	250,586.47	337,768.23
Investments	7,509.66	6,533.51	14,043.17	5,137.07	2,265.50	7,402.57
Other financial assets	3,857.23	11,692.70	15,549.93	2,791.08	10,107.64	12,898.72
Non-financial assets						
Tax Assets	-	570.72	570.72	-	418.95	418.95
Investment property	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	540.43	540.43	-	403.77	403.77
Other intangible assets	-	309.83	309.83	-	438.98	438.98
Right of use assets	30.30	1,391.41	1,421.71	-	920.49	920.49
Other non financial assets	596.80	558.82	1,155.62	698.13	694.49	1,392.62
Asset held for Sale	2,691.06	5,382.13	8,073.19	7,116.63	-	7,116.63
Total assets	**151,061.23**	**365,773.13**	**516,834.36**	**115,960.68**	**267,315.07**	**383,275.75**
Liabilities						
Financial liabilities						
Derivative financial instrument	5.49	-	5.49			
Trade payables	1,227.15	26.08	1,253.23	1,127.68	-	1,127.68
Debt securities	14,170.88	39,158.74	53,329.62	27,193.14	30,696.68	57,889.82
Borrowings (other than debt security)	101,477.84	234,859.55	336,337.39	60,850.35	199,343.47	260,193.82
Lease liabilities	249.73	1,220.63	1,470.36	450.37	555.75	1,006.12
Other financial liabilities	4,739.88	158.52	4,898.40	2,390.83	-	2,390.83
Non-financial liabilities						
Provisions	261.81	50.12	311.93	119.34	98.12	217.46
Deferred tax liabilities (net)	213.11	2,973.17	3,186.28	-	2,536.95	2,536.95
Other non-financial liabilities	282.35	-	282.35	266.02	-	266.02
Total liabilities	**122,628.24**	**278,446.81**	**401,075.05**	**92,397.73**	**233,230.97**	**325,628.70**
Net	**28,432.99**	**87,326.32**	**115,759.31**	**23,562.95**	**34,084.10**	**57,647.05**

Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company. The same is also approved by the ALM committee of the Company

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Note No 43: Related party disclosures

	Relationship		**Name of the party**
(i)	Holding	:	Shriram City Union Finance Limited
(ii)	Enterprises having significant influence over the Company / Associates	:	Valiant Mauritius Partners FDI Ltd. (VMPL) Shriram Fortune Solutions Limited (SFSL)* Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)* Shriram General Insurance Company Limited (SGICL)* Shriram Insight Share Brokers Limited (SISBL)* Shriram Life Insurance Company Limited (SLICL)* Novac Technology Solutions Pvt. Ltd (NTSPL)* Shriram Capital Limited
(iii)	Key Management Personnel	:	Mr.Subramanian Jambunathan, MD & CEO Mr.Gauri Shankar Agarwal - Chief Financial Officer Ms. Bhavita Ashiyani - Company Secretary (upto 31.01.2022) Ms. Puja R Shah - Company Secretary (w.e.f 11.02.2022) Mr. Venkataraman Murali, Director Ms. Lakshminaryanan Priyadarshini , Director Mr.Yalamati Srinivasa Chakravarti, Director
(iv)	Relatives of Key Management Personnel	:	Nil

* The company neither holds any shares in the above entities nor these entities hold any shares in the company. However these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 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 as at March 31, 2022.

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Note No 43: Related party disclosures

Related party transactions during the year:

(₹ in Lakh)

Particulars	Holding Company		Associates / Enterprises having significant influence		Key Management Personnel		Total	
	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021	For the year ended Mar 31, 2022	For the year ended Mar 31, 2021
Remuneration to independent directors (Sitting fees)								
Mr. V Murali					10.36	5.45	10.36	5.45
Ms. Lakshminaryanan Priyadarshini					11.99	6.81	11.99	6.81
Equity contribution -SCUF	50,000.00	-					50,000.00	-
Remuneration to other KMPs								
Employee Benefits - Mr. Subramanian Jambunathan - Short term benefit					214.15	185.69	214.15	185.69
Employee Benefits - Mr. Subramanian Jambunathan - Share based payment					80.46	53.73	80.46	53.73
Employee Benefits - Mr. Gauri Shankar Agarwal					85.89	96.17	85.89	96.17
Employee Benefits - Mr. Gauri Shankar Agarwal - Share based payment					7.64	6.63	7.64	6.63
Employee Benefits - Ms. Bhavita Ashiyani					12.73	11.56	12.73	11.56
Employee Benefits - Ms. Puja R Shah					2.04	-	2.04	-
Reimbursement of rent & expenses								
Rent - SCUF	50.67	44.06					50.67	44.06
Rent - SFPSPL			1.37	-			1.37	-
Expenses reimbursements - SCUF	12.24	13.47					12.24	13.47
Expenses reimbursements - SFPSPL			465.57	-			465.57	-
Expenses reimbursements - SCL			-	1.48			-	1.48
Expenses reimbursements - SISBL			1.14	1.32			1.14	1.32
Expenses reimbursements - SLIC			28.90	23.90			28.90	23.90
Expenses reimbursements - SGIL			14.05	-			14.05	-
Expenses reimbursements - NOVAC			547.96	373.60			547.96	373.60
Royalty fees - SVS			597.52	461.16			597.52	461.16
Other payments								
Transfer of liability for Gratuity/Leave - SCUF	2.20	-					2.20	-
Other receipts								
Transfer of liability for Gratuity/Leave - SCUF	4.89	-					4.89	-
Rent received								
Rent - SCUF	6.33	68.38					6.33	68.38
Rent - SFSL			-	0.80			-	0.80
Electricity, telephone and printing charges and others received								
Expenses reimbursement - SCUF	3.50	10.16					3.50	10.16
Expenses reimbursement - SLIC			5.57	2.27			5.57	2.27
Expenses reimbursement - SGLI			0.00	-			0.00	-
Received on assignment deal - SCUF	4,195.44	2,550.74					4,195.44	2,550.74
Payment on assignment deal - SCUF	4,570.02						4,570.02	-
Loans given and repayments								
Loan disbursement - Mr. Gauri Shankar Agarwal	-	-			-	130.00	-	130.00
Loan EMI received - Mr. Gauri Shankar Agarwal					15.26	8.45	15.26	8.45
Advances - Mr. Gauri Shankar Agarwal					20.00	-	20.00	-

Balance outstanding

Particulars	Holding company		Associates / enterprises having significant influence over the Company		Key management personnel		Total	
	'As at Mar 31, 2022	'As at Mar 31, 2021	'As at Mar 31, 2022	'As at Mar 31, 2021	'As at Mar 31, 2022	'As at Mar 31, 2021	'As at Mar 31, 2022	'As at Mar 31, 2021
Share Capital - SCUF	27,655.11	16,544.00					27,655.11	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses payable to SCUF	23.29	21.20					23.29	21.20
Expenses receivable from SCUF	51.46	46.69					51.46	46.69
Expenses payable to SFPSPL			3.25	-			3.25	-
Expenses payable to SVS Royalty			164.83	119.45			164.83	119.45
Expenses payable to SISBL			0.14	0.38			0.14	0.38
Expenses payable to NOVAC			15.30	9.23			15.30	9.23
Advances receivable from Mr. Gauri Shankar Agarwal					20.00		20.00	-
Loan receivable from Mr. Gauri Shankar Agarwal					118.55	126.45	118.55	126.45

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Note 44: Contingent liabilities & commitments

(A) Contingent liabilities		(₹ in Lakh)
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Income tax*	67.66	-
Bank guarantees / mortgage loan**	135.00	135.00

*Disputed income tax demand is on account of disallowance of royalty as an expense and by treating it as intangible asset, disallowance of bonus payments u/s 43B and Employers contribution to PF. The above demands are determinable only on receipt of judgements/decisions pending with various forums/authorities. The company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

**Fixed Deposit is under lien for Bank Guarantee purpose to the extent for Rs 25.00 Lakh (March 31, 2021 Rs. 25.00 Lakh)

**Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110.00 Lakh (March 31, 2021 Rs. 110.00 Lakh)

(B) Commitments		(₹ in Lakh)
Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Estimated amount of contract remaining to be executed on capital account	92.90	24.56
Undrawn Commitments	46,402.48	18,408.21

Note 45: Estimation of uncertainties relating to the global health pandemic from COVID 19

The impact of COVID-19 on the Company's performance will depend on the ongoing as well as future developments, including, among other things, any new information concerning the COVID-19 pandemic and any measure to contain its spread or mitigate its impact, whether mandated by the Government or adopted by us.

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Note 46(a): Disclosures pertaining to fund raising by issuance of debt securities by large corporate

The Company, as per the SEBI circular SEI31/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, 2022	As at March 31, 2021
1	Name of the company		Shriram Housing Finance Limited	
2	CIN		U65929TN2010PLC078004	
3	Outstanding borrowing of the Company		389,667.00	318,083.64
4	**Highest Credit Rating During the previous FY along with name of the Credit Rating Agency**			
Sr No.	Agency	Rating	Date of Rating	Purpose
(i)	CRISIL	CRISIL AA/watch positive(Placed on 'Rating watch with positive implications')	20-12-21	Long Term Bank Term Loans and Non-Convertible Debentures
(ii)	India Ratings	IND AA / positive	07-03-22	
(iii)	CARE Ratings	CARE AA (CWP)* (under Credit watch with positive implications	17-12-21	

*Credit Watch Positive

5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Ltd.

Note 46(b): Annual Disclosure to be made by an entity identified as a large corporate

(Rs. in Lakh)

Sr. No.	Particulars	Details	
1	2-year block period (specifying financial years)	FY 2022 and FY 2023	FY 2021 and FY 2022
2	Incremental borrowing done in FY (a)*	165,500.00	179,800.00
3	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	41,375.00	44,950.00
4	Actual borrowings done through debt securities in FY (c)	21,000.00	27,800.00
5	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	37,525.00	17,150.00
6	Reasons for short fall, if any, in mandatory borrowings through debt securities	SHFL has been continuously putting attempts for on taping debt capital market. The Company has successfully raised Rs. 210 Crore in FY 22. The Market sentiments to NBFC / HFC sector was negative , which was further deteriorated by Covid-19 Pandemic. SHFL is committed towards raising funds through the debt market and putting constant efforts to raise funds from debt capital market	SHFL has been putting attempts to raise funds through the debt market which has resulted into increase in borrowings to Rs.278 Crore in FY 21 from Rs.75 crores in FY 20. The borrowings from debt capital market is mainly under TLTRO and PCGS schemes announced by Reserve Bank of India. The sentiments to NBFC / HFC sector was negative due to the IL&FS and DHFL crisis, which is further deteriorated by Covid-19 Pandemic. SHFL is committed towards raising funds through the debt market and putting constant efforts to raise funds from debt capital market.

Details of penalty to be paid, if any, in respect to previous block

Sr. No.	Particulars	Details
1	2-year block period (specifying financial years)	FY 2021 and FY 2022
2	Amount of fine to be paid for the block, if applicable fine = 0.2% of {(d)-(e)}	Nil

*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)
(ii) Figures are taken on the basis of cash flows/principal maturity value, excluding accrued interest, if any.

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Note 47 :Fair value measurement - Financial assets and liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial assets and liabilities
The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2022 is as follows:

(Rs. in Lakh)

Particulars	Carrying amount	Fair value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	5,177.37	5,177.37		
Bank balance other than above	17,777.36	17,777.36		
Loans*	452,214.75			413,259.92
Investment in commercial paper	7,444.64		7,444.64	
Investment in treasury bill	4,901.02		4,901.02	
Investment in state development loan	5.00		5.00	
Other financial assets	15,549.93			15,549.93
Financial assets at fair value through profit or loss:				
Investments in mutual funds	-	-		
Investments in security receipts**	819.72		819.72	
Financial assets at fair value through OCI:				
Investments in pass through certificate	879.74		879.74	
Total	**504,769.53**	**22,954.74**	**14,050.12**	**428,809.85**
Financial liabilities at amortised costs:				
Trade payables	1,253.23			1,253.23
Debt securities***	53,329.62		52,731.82	
Borrowings	336,337.39		336,337.39	
Lease liabilities	1,470.36			1,470.36
Other financial liabilities	4,898.40			4,898.40
Financial assets at fair value through profit or loss:				
Derivative financial instrument	5.49	5.49		
Total	**397,294.49**	**5.49**	**389,069.21**	**7,621.99**
Off balance sheet items				
Other commitments	**46,402.48**			**46,402.48**
Total off-balance sheet items	**46,402.48**	**-**	**-**	**46,402.48**

*Fixed rate loans & advances having carrying value of Rs 2,45,155.92 Lakh (Fair Value Rs 2,06,201.10 Lakh) on March 31, 2022 have been included above.

**The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their year end statement

***Fixed rate debt Securities having carrying value of Rs 31,800.00 Lakh (Fair Value Rs 32,731.82 Lakh) on March 31, 2022 have been included above.

(Rs. in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Fixed	Floating	Fixed	Floating
Loans & advances	245,155.92	207,058.82	130,653.88	207,114.36
Borrowings & debt securities	33,058.13	20,271.49	57,889.82	-

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The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2021 is as follows:

(₹ in Lakh)

Particulars	Carrying amount	Fair value		
	As at March 31, 2021	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	10,113.47	10,113.47		
Bank balance other than above	4,401.04	4,401.04		
Receivables	-			-
Loans*	337,768.23		-	279,039.49
Investment - Deposits with financial institutions	5,027.50		5,027.50	
Other financial assets	12,898.72			12,898.72
Financial assets at fair value through profit or loss:				
Investments in mutual funds	-	-		
Investments in security receipts**	980.24		980.24	
Financial assets at fair value through OCI:				
Investments in pass through certificate	1,396.86		1,396.86	
Total	**372,586.06**	**14,514.52**	**7,404.59**	**291,938.21**
Financial Liabilities at amortised costs:				
Trade payables	1,127.68			1,127.68
Debt securities	57,889.82		56,580.68	
Borrowings	260,193.82		260,193.82	
Lease liabilities	1,006.12			1,006.12
Other financial liabilities	2,390.83			2,390.83
Total	**322,608.27**	**-**	**316,774.50**	**4,524.63**
Off balance sheet items				
Other commitments	**18,408.21**			**18,408.21**
Total off-balance sheet items	**18,408.21**	**-**	**-**	**18,408.21**

*Fixed Rate Loans & Advances having carrying value of Rs 1,30,653.88 Lakh (Fair Value Rs 71,925.14 Lakh) on March 31, 2021 have been included above.

**The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their year end statement.

Fair Value Measurement - Assets held for sale

Assets held for sale are measured at fair value through profit and loss. At the time of initial classification as assets held for sale, these assets were 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 as per the terms of approved valuation policy.

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note no 15

(₹ in Lakh)

Particulars	Fair Value Hierarchy - Level 2	
	As at March 31, 2022	As at March 31, 2021
Assets held for sale	8,073.19	7,116.63
Total	**8,073.19**	**7,116.63**

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Note 48: Accounting policy

The Accounting policies adopted in the preparation and presentation of these financial statements are the same as those adopted in the preparation and presentation of the preceding annual financial statements for the year ended March 31, 2022

Note 49: Risk Management

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has out in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –
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 and industry concentrations, and by monitoring exposures in relation to such limits.

Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. 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 risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk 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 the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.
Credit risk on loans and advances –

Credit risk is controlled by analysing the credit limits and credit worthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.
The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a
Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).
Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.
The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.
The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.
The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair the underlying asset or the customers ability to pay and accordingly increase the 12 month ECL to a LTECL.

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Note 49: Risk Management

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

Credit risk on investment –

The Company carries out investments in pass through certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL default study reports among others. The exposure at default (EAD) is the carrying value of the investment as at the reporting date. The loss given default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

Internal rating grade on Investment

Internal rating grade	Basis
High grade	Government Securities & A+ rating, NR 2 rating and above
Standard grade	A rating

Credit risk on other financial assets –

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk –

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs. The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available.

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, 2022

Maturity pattern of assets and liabilities as on March 31, 2022:

(₹ in Lakh)

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	6,468.68	-	99.32	10,504.86	6,061.38	-	23,134.24
Loans at amortised cost	24,225.79	18,897.07	37,782.60	152,937.85	143,922.89	511,561.23	889,327.43
Financial investments at amortised cost	7,500.00	-	-	5,000.00	-	8.26	12,508.26
Financial investments at FVTPL	-	-	-	273.24	273.24	273.24	819.72
Financial investments at FVOCI	42.49	41.29	80.42	332.57	338.74	563.69	1,399.20
Other financial assets	1,305.72	954.61	1,833.94	5,843.04	3,642.40	2,027.97	15,607.68
Total undiscounted financial assets	**39,542.68**	**19,892.97**	**39,796.28**	**174,891.56**	**154,238.65**	**514,434.39**	**942,796.53**
Financial liabilities							
Derivative financial instruments	5.49	-	-	-	-	-	5.49
Trade payables	1,210.61	6.09	10.44	3.05	13.25	9.79	1,253.23
Deposits	-	-	-	-	-	-	-
Debt securities	13,982.71	257.33	2,050.75	38,868.77	908.27	6,626.93	62,694.76
Borrowings (other than debt securities)	36,450.19	29,311.53	56,451.44	156,310.28	66,226.45	49,835.31	394,585.20
Subordinated liabilities	-	-	-	-	-	-	-
Lease liabilities	81.06	55.83	112.84	400.85	403.83	415.95	1,470.36
Other financial liabilities	4,586.32	153.57	-	26.79	-	131.74	4,898.40
Total undiscounted financial liabilities	**56,316.38**	**29,784.35**	**58,625.47**	**195,609.74**	**67,551.80**	**57,019.71**	**464,907.44**
Net undiscounted financial assets/(liabilities)	**(16,773.70)**	**(9,891.38)**	**(18,829.19)**	**(20,718.18)**	**86,686.85**	**457,414.68**	**477,889.09**

Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company. The same is also approved by the ALM Committee of the company

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Maturity pattern of assets and liabilities as on March 31, 2021:

(₹ in Lakh)

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	12,871.34	60.27	698.46	1,019.00	-	-	14,649.07
Loans at amortised cost	20,072.10	14,411.77	27,778.80	108,928.54	101,405.06	410,345.18	682,941.45
Financial investments at amortised cost	3,031.28	-	2,112.69	-	-	-	5,143.97
Financial investments at FVTPL	-	-	-	326.75	326.75	326.75	980.25
Financial investments at FVOCI	51.91	57.34	112.86	435.26	453.18	973.23	2,083.78
Other Financial Assets	692.99	951.20	1,172.18	3,806.05	2,665.37	3,616.99	12,904.78
Total undiscounted financial assets	**36,719.63**	**15,480.58**	**31,874.98**	**114,515.60**	**104,850.36**	**415,262.15**	**718,703.30**
Financial liabilities							
Deriavative Financial Instruments	-	-	-	-	-	-	-
Trade payables	1,055.36	72.32		-	-		1,127.68
Deposits	-	-	-	-	-	-	-
Debt securities	8,567.74	6,534.08	20,683.39	26,644.77	5,102.96	2,219.08	69,752.02
Borrowings (other than debt securities)	14,730.86	15,500.57	24,671.18	56,581.86	126,467.12	81,048.86	319,000.45
Subordinated Liabilities	-	-	-	-	-	-	-
Lease liabilities	110.56	113.59	226.21	251.68	160.62	143.46	1,006.12
Other Financial Liabilities	2,172.26	109.72	-	26.79	-	82.06	2,390.83
Total undiscounted financial liabilities	**26,636.78**	**22,330.28**	**45,580.78**	**83,505.10**	**131,730.69**	**83,493.46**	**393,277.10**
Net undiscounted financial assets/(liabilities)	**10,082.84**	**(6,849.71)**	**(13,705.79)**	**31,010.49**	**(26,880.33)**	**331,768.70**	**325,426.20**

Interest rate risk –

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates also and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

As at March 31, 2022

(Rs. in Lakhs)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	20,000.00	200.00	(200.00)
Term Loans - Bank	257,002.37	2,570.02	(2,570.02)
Term Loans - National Housing Bank	55,463.27	554.63	(554.63)
Term Loans - Financial institution	6,643.81	66.44	(66.44)
Loans & advances	210,315.57	(2,103.16)	2,103.16
Total		**1,287.93**	**(1,287.93)**

As at March 31, 2021

(Rs. in Lakhs)

Particulars	Carrying amount	Favourable change 1% increase	Unfavourable change 1% decrease
Debt instrument	-	-	-
Term Loans - Bank	224,569.47	2,245.69	(2,245.69)
Term Loans - National Housing Bank	8,981.52	89.82	(89.82)
Term Loans - Financial institution	14,706.42	147.06	(147.06)
Loans & advances	249,808.10	(2,498.08)	2,498.08
Total		**(15.51)**	**15.51**

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.

Currency Risk

The Company is exposed to currency risk on account of its borrowings in foreign currency. The fluctuation currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Following are the forward contracts to hedge the foreign exchange rate as March 31, 2022 and March 31, 2021

Particulars	Purpose	Currency	Cross currency	March 31, 2022	March 31, 2021
Forward contract (principal)	Term loan	USD	Rs.	5218.44	NA

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Note 50 : No Funds raised through Preferential allotment of shares (March 31, 2021 -NIL).

Note 51 : Value of Imports on CIF basis- NIL (March 31, 2021-NIL).

Note 52: Foreign exchange earnings - NIL (March 31, 2021 - NIL) and out go - NIL (March 31, 2021 - NIL).

Note 53: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL
The company has not lent to any Single Borrower exceeding 15% (March 31, 2021- Nil) of its owned funds.
The company has not lent to any Single group of Borrowers exceeding 25% (March 31, 2021 - Nil) of its owned funds.

Note 54: The company has not made any unsecured advances during the current or previous year.

Note 55: The company obtained registrations from other financial sector regulators.

Regulator	Registration Number
Securities and Exchange Board of India (SEBI)	10788
Legal Entity Identifier (LEI)	335800ZKQETKBOF4YT05
Ministry of Corporate Affairs (MCA)	U65929TN2010PLC078004

Note 56: No penalties have been imposed by NHB/RBI and other regulators during the current and previous year. There were no adverse comments in writing from RBI/NHB on regulatory compliance requiring disclosures.

Note 57: There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

Note 58: There has been no case of draw down of any specific reserves. Please refer "Note 25 - Other Equity"

Note 59: Details of financing of parent company products
During the year the Company has not financed product of the parent company

Note 60 : IND AS 110 - There are no subsidiaries of the company, hence the Consolidated financial Statement is not applicable to a company.

Note 61(a): Forward rate agreement (FRA) / Interest rate swap (IRS)

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) Exchange traded interest rate (IR) derivative

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2022 (instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) Disclosures on Risk exposure in derivatives

(Rs. in Lakh)

Sr. No.	Particulars	As atMarch 31, 2022		As atMarch 31, 2021	
		Currency derivatives	Interest rate derivatives	Currency derivatives	Interest rate
(i)	Derivatives (notional principal amount)	5,218.44	NA	NA	NA
(ii)	Marked to market positions [1] (a) Assets (+) (b) Liability (-)	5.49			
(iii)	Credit exposure [2]	-			
(iv)	Unhedged exposures	-			

Note 62: Exposure to capital market

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(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.	-	-
(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	-	-

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Note 63: Overseas assets

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
	NA	NA	NA

(o) Off-balance sheet SPVs sponsored

Sr. No.	Name of SPV sponsored	As at March 31, 2022	As at March 31, 2021
(i)	Domestic	NA	NA
(ii)	Overseas	NA	NA

Note 64: 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:

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	The principal amount remaining unpaid to supplier as at the end of the year	-	-
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
(iii)	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	-	-
(iv)	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	-	-
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
(vi)	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	-	-

Note 65: Exposure to group companies engaged in real estate business

		As atMarch 31, 2022		As atMarch 31, 2021	
Sr. No.	Description	Amount (Rs Lacs)	% of owned fund	Amount (Rs Lacs)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	Nil	Nil	Nil	Nil
(ii)	Exposure to all entities in a group engaged in real estate business	Nil	Nil	Nil	Nil

Note 66: Remuneration of directors - Pecuniary relationship of non executive directors

Remuneration paid to directors is reflected in Note 43 "Related Party Transaction". There is no pecuniary relationship or transactions of the non-executive directors with the company or its directors, senior management or group companies.

Note 67: Prior period items and changes in accounting policies.

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
		Amount (Rs Lacs)	Amount (Rs Lacs)
(i)	Prior period items	NA	NA
(ii)	Changes in accounting policies.	Refer Notes 1,2 & 3	Refer Notes 1,2 & 3

Note 68: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements (March 31, 2021 Rs. Nil)

Note 69

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.

Note 70: Principal business criteria

RBI vide its circular Number RBI/2020-21/60/DOR/NBFC (HFC) CC No 118/03.10.136/2020-21 dated October 22, 2020 has defined Principal Business Criteria for HFCs.

Details of principal business criteria as on March 31, 2022 is as follows

Sr No.	As At	As at March 31, 2022	As at March 31, 2021
1	% of total asset towards housing finance	57.78%	56.33%
2	% of total asset towards housing finance for individuals	51.63%	51.48%

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Note 71: 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.

(₹ in Lakh)

Regulatory capital	As at March 31, 2022	As at March 31, 2021
Common Equity Tier1 (CET1) capital	99,782.12	56,298.33
Other Tier 2 capital instruments	3,395.08	2,434.85
Total capital	103,177.20	58,733.18
Risk weighted assets	334,085.78	255,003.58
Tier I CRAR (%)	29.87	22.08
Tier II CRAR (%)	1.02	0.95
Total capital ratio (%)	30.89	23.03

Regulatory capital consists of CET 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 other Tier 2 Capital , which includes provision for standard assets

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Note 72(a):.Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of Rs. 1613.72 Lakh (March 31, 2021 Rs. 1254.00 Lakh).

(₹ in Lakh)

Particulars as at	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,509.01	1,522.08
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,476.48	2,209.41
c) Total	4,985.49	3,731.49
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred uls 29C of the NHB Act, 1987	779.63	986.93
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	834.09	267.07
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	3,288.64	2,509.01
b) Amount of special reserve u/s 36(1)(viii) of Income tax act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	3,310.57	2,476.48
c) Total	**6,599.21**	**4,985.49**

Note 72(b): Capital to risk ratio (CRAR)

Items	As at March 31, 2022	As at March 31, 2021
1.CRAR(%)	30.89%	23.03%
2.CRAR(%)Tier I capital	29.87%	22.08%
3.CRAR(%)Tier II capital	1.02%	0.95%
4.Amount of subordinated debt raised as Tier- II Capital	-	-
5.Amount raised by issue of perpetual debt instruments	-	-

Note 72(c): Exposure to real estate sector

I) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented

(₹ in Lakh)

Category	As at March 31, 2022	As at March 31, 2021
(i) Housing loan to individuals upto Rs. 15 lacs	61,238.87	42,031.47
(ii) Housing loan to individuals more than Rs. 15 lacs	214,464.51	154,186.71
(iii) Non housing loan against residential property	124,254.51	105,839.24

(ii) Commercial real estate

(₹ in Lakh)

Category	As at March 31, 2022	As at March 31, 2021
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) exposure includes non-fund based (NFB) limits.	52,256.85	36,710.82

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(₹ in Lakh)

Category	As at March 31, 2022	As at March 31, 2021
a) Residential	-	14.15
b) Commercial real estate	-	-

II) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (March 31, 2021- NIL)

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Notes to financial statements for the year ended March 31, 2022

Note 73: Provisions & Contingencies

(₹ in Lakh)

Break up of 'Provisions and contingencies' shown under the head expenditure in Profit and Loss Account	As at March 31, 2022	As at March 31, 2021
1. Provisions for depreciation on investment**	4.92	0.21
2. Provision made towards Income tax	2,092.65	935.98
3. Provision towards NPA*	437.05	347.71
4. Provision for standard assets*(with details like teaser loan, CRE , CRE RH etc.)		
(i) Teaser loans	-	-
(ii) CRE	1.54	-
(iii) CRE - RH	98.27	11.56
(iv) Other loans	1,024.66	871.96
5. Provision for Covid-19 impact	(1,000.00)	-
6. Provision for interest receivables on assignment	(242.43)	185.53
7. Other provision and contingencies		
Provision for gratuity	58.91	68.30
Provision for leave benefits	-	(25.62)

* 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

(₹ in Lakh)

Break up of loan & advances and provisions thereon	Housing		Non-Housing	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Standard Assets				
a) Total Outstanding Amount	294,790.27	215,039.98	154,783.58	121,147.58
b) Provisions made*	2,130.36	1,533.29	1,264.70	901.55
Sub-Standard Assets				
a) Total Outstanding Amount	2,650.82	1,239.01	2,161.82	1,781.79
b) Provisions made*	609.29	274.50	447.97	429.14
Doubtful Assets – Category-I				
a) Total Outstanding Amount	256.68	627.41	829.10	888.10
b) Provisions made*	78.57	142.50	224.70	189.79
Doubtful Assets – Category-II				
a) Total Outstanding Amount	324.25	234.43	929.31	1,635.95
b) Provisions made*	91.83	54.40	224.80	312.94
Doubtful Assets – Category-III				
a) Total Outstanding Amount	35.83	14.14	691.87	1.35
b) Provisions made*	9.11	3.10	157.46	0.30
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**298,057.85**	**217,154.97**	**159,395.69**	**125,454.77**
b) Provisions made*	**2,919.15**	**2,007.79**	**2,319.63**	**1,833.72**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS
During the year, additional ECL of Rs.1000.00 Lakh provided earlier on account of Covid 19 pandemic has been reversed.

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 74: Investments

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross value of investments		
(a) In India	14,050.12	7,404.60
(b) Outside India	-	-
(ii) Provisions for depreciation *		
(a) In India	(6.95)	(2.03)
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	14,043.17	7,402.57
(b) Outside India	-	-
Movement of provisions held towards		
depreciation on investments*		
(i) Opening balance	2.03	1.81
(ii) Add: Provisions made during the year*	6.26	0.79
(iii) Less: Write-off / Written-back of	(1.34)	(0.57)
excess provisions during the year*		
(iv) Closing balance	**6.95**	**2.03**

*Amount shown is as per expected credit loss(ECL) on investment in PTC as per Ind AS

Note 75 : Asset Liability Management:
Maturity pattern of certain items of Assets and Liabilities

(₹ in Lakh)

Period	Liabilities		Assets	
	Borrowings from banks*	Market borrowings	Advances	Investment
1 day to 7 days(one month)	354.89	-	2,788.62	-
8 days to 14 days(one month)	142.72	34.18	2,788.62	-
15 days to 30 days(one month)	3,007.87	10,559.50	5,577.23	67.71
Over one month to 2 months	5,772.43	3,038.59	10,875.61	5.14
Over 2 months upto 3 months	17,231.07	-	10,603.72	7,382.88
Over 3 months to 6 months	26,049.44	-	30,246.94	20.61
Over 6 months to 1 year	48,919.42	538.61	54,018.84	33.30
Over 1 year to 3 years	141,922.92	34,385.76	149,940.06	5,607.28
Over 3 to 5 years	67,886.83	-	85,273.99	486.75
Over 5 to 7 years	21,656.05	-	45,245.61	200.42
Over 7 to 10 years	1,322.37	4,772.98	35,407.21	159.07
Over 10 Years	2,071.38	-	19,448.30	80.01
Total	**336,337.39**	**53,329.62**	**452,214.75**	**14,043.17**

*includes Borrowing from Financial institution

Classification of assets & liabilities under maturity buckets is based on estimates, assumptions and derived from MIS prepared by the company. The same is also approved by the ALM Committee of the company

Details of non- performing financial assets sold :

(₹ in Lakh)

Particulars	year ended March 31, 2022	year ended March 31, 2021
1. No. of accounts sold	-	-
2. Aggregate outstanding ((₹ in Lakh))	-	-
3. Aggregate consideration received (₹ in Lakh)	-	-

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HOUSING FINANCE MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 76: Concentration of public deposits, advances, exposures and NPAs
(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector	Percentage of NPAs to Total Advances in that sector
		2021-22	2020-21
A.	Housing Loans:		
1	Individuals	0.74%	0.59%
2	Builders/project loan	-	0.17%
3	Corporates	0.13%	
4	Others (specify)	-	
B.	Non-Housing Loans:		
1	Individuals	1.84%	2.13%
2	Builders/project loan	-	
3	Corporates	0.37%	0.60%
4	Others (specify)	-	

(vi) Movement of NPAs

(₹ in Lakh)

Sl. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(I)	Net NPAs to Net Advances (%)	1.32%	1.47%
(II)	Movement of NPAs (Gross)		
	a) Opening balance	6,422.18	4,884.02
	b) Additions during the year	4,730.70	3,003.58
	c) Reductions during the year	(3,273.20)	(1,465.42)
	d) Closing balance	**7,879.68**	**6,422.18**
(III)	Movement of Net NPAs		
	a) Opening balance	5,015.51	3,825.08
	b) Additions during the year	3,556.54	2,305.64
	c) Reductions during the year	(2,536.09)	(1,115.21)
	d) Closing balance	**6,035.96**	**5,015.51**
(IV)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening balance	1,406.67	1,058.94
	b) Provisions made during the year	1,174.16	720.14
	c) Write-off/write-back of excess provisions	(737.11)	(372.41)
	d) Closing balance	**1,843.72**	**1,406.67**

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Notes to financial statements for the year ended March 31, 2022

Note 76: Concentration of public deposits, advances, exposures and NPAs

(i) Concentration of public deposits (for public deposit taking/holding HFCs)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total deposits of twenty largest depositors	N.A.	N.A.
Percentage of deposits of twenty largest depositors to total deposits of the HFC		

(ii) Concentration of Loans & Advances

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total loans & advances to twenty largest borrowers	26,669.12	22,940.75
Percentage of loans & advances to twenty largest borrowers to Total Advances of the HFC	5.90%	6.77%

(iii) Concentration of all exposure (including off-balance sheet exposure)

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to twenty largest borrowers /customers	35,637.12	26,779.85
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	7.15%	7.50%

(iv) Concentration of NPAs

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total exposure to top ten NPA accounts	1,494.77	1,556.24

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

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Notes to financial statements for the year ended March 31, 2022

Note 77 : Rating assigned by credit rating agencies and migration of ratings during the year

Rating agency	Rating instrument	Rating assigned as on March 31, 2022	Rating assigned as on March 31, 2021
India Rating & Research Pvt Ltd	Long-term (NCDs)	IND AA	IND AA
	Bank loan ratings	IND AA	IND AA
Credit Analysis & Research Limited	Long-term (NCDs)	CARE AA	CARE AA
	Short-term (CP)	CARE A1+	CARE A1+
	Long-term bank loan ratings	CARE AA	CARE AA
	Subordinate debts	CARE AA	CARE AA
CRISIL	Bank loan ratings	CRISIL AA	CRISIL AA
	Long-term (NCDs)	CRISIL AA	CRISIL AA

Note 78: Disclosure of complaints

Customers complaints

Sr. No.	Particulars	year ended March 31, 2022	year ended March 31, 2021
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	114	82
c)	No. of complaints redressed during the year	114	82
d)	No. of complaints pending at the end of the year	-	-

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Notes to financial statements for the year ended March 31, 2022

Note 79(a): 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 Lakh)

S. No.		Particulars	As at March 31, 2022	As at March 31, 2021
1		No of transactions assigned by the Company	22	12
2		Total amount of outstanding	77,522.81	50,034.13
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	11,234.59	8,923.94
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, 2021: Nil)

Note 79 (b): No financial assets are sold to securitisation/reconstruction company for asset reconstruction as on March 31, 2022 and March 31, 2021.

Note 79 (c): Details of assignment transactions undertaken by the Company

(₹ in Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
No. of accounts	10	6
Aggregate value (net of provision) of account sold	42,649.74	30,411.59
Aggregate consideration	42,649.74	30,411.59
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / (loss) over net book value	-	-
Consideration received including new financial asset obtained at fair value	42,649.74	30,411.59
Net gain on derecognition of financial instruments under amortised cost category	5,508.35	7,390.05

Note 79 (d): The Company has not purchased/sold non-performing assets for the year ended March 31, 2022 and March 31, 2021

Note 79 (e): Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

The Company has assigned loans (earlier measured at amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 90% /80%/87% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets :

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Direct assignment		
Carrying amount of transferred assets measured at amortised cost	77,522.81	50,034.13
Carrying amount of exposures retained by the Company at amortised cost	11,234.59	8,923.94

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Notes to financial statements for the year ended March 31, 2022

Note 79 (f): Disclosure relating assignment (Non-STC Transaction)

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 Lakh)

S. No.	Particulars		As at March 31, 2022	As at March 31, 2021
1	No of transactions assigned by the Company		22	12
2	Total amount of outstanding		77,522.81	50,034.13
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	11,234.59	8,923.94
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	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation			
		(a) Sale consideration	42,649.74	30,411.59
		(b) Gain/Loss on securitisation	5,508.35	7,390.05
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.			
7	Performance of facility provided - credit enhancement			
	a)	Amount paid		
	b)	Repayment received		
	c)	Outstanding amount		
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.			
	a)	Housing loans	0.19%	0.06%
	b)	Non- housing loans	0.15%	0.03%
9	Amount and number of additional / top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		-	-

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Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 80(a). 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 Lakh)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	5,773.16	7,161.27
Carrying amount of associated liabilities {Borrowings (other than debt securities)- measured at amortised cost}	5,777.43	7,412.99
Fair value of assets	5,773.16	7,161.27
Fair value of associated liabilities	5,777.43	7,412.99
Net position at FV	(4.27)	(251.72)

Note 80 (b): Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Total number of transactions under par structure	-	1
Total book value of assets	-	4,068.74
Sale consideration received	-	4,068.74

Note: 80 (c): Disclosure relatiug to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(₹ in Lakh)

S. No.	Particulars		As at March 31, 2022	As at March 31, 2021
1	No of SPVs sponsored by the company for securitisation transactions (in No.)		2	2
2	Total amount of securitised assets as per books of the SPVs sponsored by the company		5,771.36	7,384.25
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	1,298.50	1,298.50
		Others	-	-
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	-	-

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80 (d) Disclosures to be made in notes to accounts by originators (Non-STC transactions)

(₹ in Lakh)

S. No	Particulars		As at March 31, 2022	As at March 31, 2021
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)		2	2
2	Total amount of securitised assets as per books of the SPEs		5,771.36	7,384.25
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		1,298.50	1,298.50
	a)	Off-balance sheet exposures		
		First loss		
		Others		
	b)	On-balance sheet exposures		
		First loss	1,298.50	1,298.50
		Others		
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	-	-
5	Sale consideration received for the securitised assets and gain/ loss on sale on account of securitisation		-	-
	(a) Sale consideration		-	4,068.74
	(b) Gain/Loss on securitisation		-	-
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		-	-
7	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.			
	a)	Amount paid	-	651.00
	b)	Repayment received	-	-
	c)	Outstanding amount	1,298.50	1,298.50
8	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		-	-
	a)	Housing Loan	0.20%	0.00
9	Amount and number of additional / top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc.		-	-
10	Investor complaints (a) Directly / Indirectly received and; (b) Complaints outstanding		-	-

Note 81: Disclosure of frauds reported

Instances of fraud for the year ended March 31, 2022:

(₹ in Lakh)

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	-	-	-	-

Instances of fraud for the year ended March 31, 2021:

(₹ in Lakh)

Nature of fraud	No. of cases*	Amount of fraud	Recovery	Amount written-off
Fraud committed by borrowers and outsiders	2	22.4	0	22.4

* In one of the case, the fraud was detected before the disbursement of loan and hence there was no principal loss to the Company.

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Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 82: Schedule to the Balance Sheet of an HFC

(₹ in Lakh)

Sr. No.	Particulars	Amount outstanding		Amount overdue	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	Liabilities side				
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**				
	(a) Debentures : Secured	48,324.47	50412.97	-	-
	: Unsecured	5,005.15	7476.85	-	-
	(other than falling within the meaning of public deposits*)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	317,700.33	246795.76	-	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposits*	NA	NA	-	-
	(g) Other Loans (Cash Credit, WCDL, Securatization)	18,637.06	13398.06	-	-
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	NA	NA	NA	NA
	(a) In the form of Unsecured debentures	NA	NA	NA	NA
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NA	NA	NA	NA
	(c) Other public deposits	NA	NA	NA	NA

(₹ in Lakh)

Sr. No.	Particulars	Amount outstanding	
		As at March 31, 2022	As at March 31, 2021
	Assets side		
(3)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:**		
	(a) Secured	457,453.53	342,609.74
	(b) Unsecured		
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**		
	(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	-	-
(5)	**Break-up of Investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity	-	-
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds	-	-
	(iv) Government Securities		
	(v) Others (please specify)		
	– Investment in Commercial Paper	7,444.64	-
	2. Unquoted		
	(i) Shares		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (please specify)		
	Long Term investments		
	1. Quoted		
	(i) Share		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	– Investment in Treasury Bill	4,901.02	-
	– Investment in State Development Loan	5.00	-
	2. Unquoted		
	(i) Share		
	(a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others		
	– Pass through certificates	879.74	1,396.86
	– Security Receipts	819.72	980.24

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(6) Borrower group-wise classification of assets financed as in (3) and (4) above:

(₹ in Lakh)

Category Amount	As at March 31, 2022		As at March 31, 2021		Total	
	Amount net of provisions		Amount net of provisions			
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1. Related Parties						
(a) Subsidiaries						
(b) Companies in the same group						
(c) Other related parties	118.55		126.45		118.55	126.45
2. Other than related parties	457,334.99		342,483.30		457,334.99	342,483.30

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

(₹ in Lakh)

Category	As at March 31, 2022		As at March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries				
(b) Companies in the same group				
(c) Other related parties				
2. Other than related parties	12,350.66	12,344.40	-	-
Total				

(8) Other information

(₹ in Lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	7,879.68	6,422.18
(ii) Net Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	6,035.96	5,015.51
(iii) Assets acquired in satisfaction of debt	8,073.19	7,116.63

SHRIRAM HOUSING FINANCE LTD. MUMBAI

T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

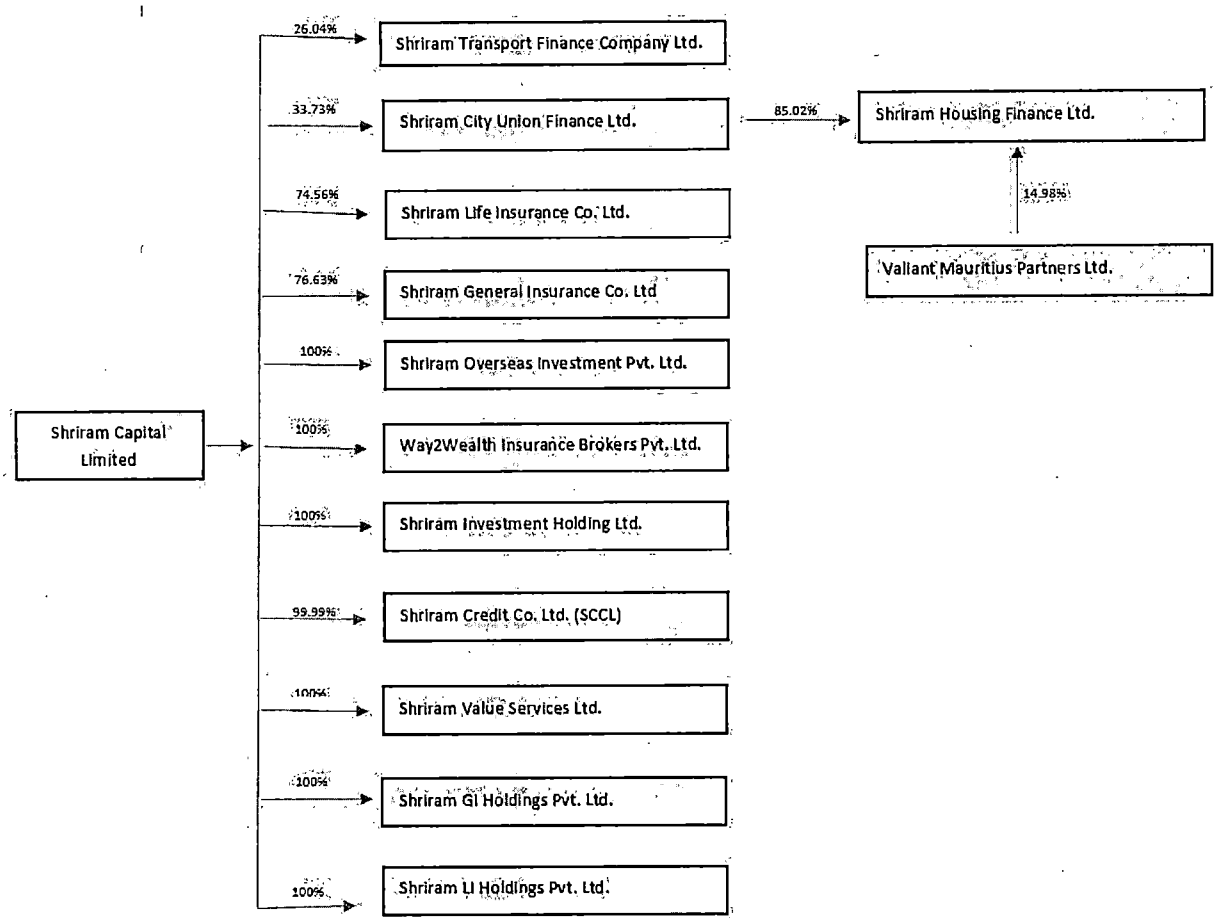
SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the year ended March 31, 2022

Note No: 83 Group Structure

Shriram Housing Finance Limited (SHFL) is Housing Finance Company registered with the National Housing Bank. Shriram City Union Finance Ltd. (SCUF) is the promoter of SHFL and holds 85.02% shares in the Company. The balance 14.98% shares are held by a prestigious private equity investor Valiant Mauritius Partners Limited.

SCUF is a public listed company and its promoter is Shriram Capital Limited (SCL), which is also registered as a NBFC – CIC with RBI.

For the ease of understanding, given below is a graphical representation of the ownership structure of the SHFL:



T R Chadha & Co LLP MUMBAI CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Sbriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 84(a): Disclosure on Liquidity Risk for the twelve months ended March 31, 2022 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	Number of Significant Counterparties	Amount (Rs. In Lakh)*	% of Total deposits	% of Total liabilities
1	19	357,372.83	NA	91.71%

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in lakh and % of total deposits)

Particulars	As at March 31, 2022
Total amount of top 20 large deposits	NA
Percentage of amount of top 20 large deposits to total deposits	NA

(iii) Top 10 borrowings (amount in Rs. in lakh and % of total borrowings)

Particulars	As at March 31, 2022
Total amount of top 10 borrowings *	289,076.17
Percentage of amount of top 10 borrowings to total borrowings	74.19%

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument/product

Sr. No	Name of the instrument/product	Amount (Rs. In Lakh)	% of Total Liabilities
1	Public Issue of Redeemable non-convertible debentures	NA	NA
2	Privately placed Redeemable non-convertible debentures	53,329.62	13.69%
3	Term loan from banks	255,785.70	65.64%
4	Term loan from National Housing Bank	55,463.27	14.23%
5	Term loan from financial institutions/corporates	6,451.36	1.66%
6	Loans repayable on demand from banks (Cash credit from banks & Working capital demand Loan)	12,859.64	3.30%
7	Other loans - Securitisation liabilities	5,777.43	1.48%
8	Public deposits	NA	NA

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	-	-	-
3	Other short-term liabilities	NA	3.30%	2.49%

(vi) Institutional set-up for liquidity risk management

1	The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.
2	The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.
3	The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly
4	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.
5	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.
6	The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management 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 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 is a decision-making unit responsible for 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 ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. 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.
7	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 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.
8	The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.
9	The liquidity was Rs. 78965.13 lakh including sanction lines.

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*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	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.
4	The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2022.

Note 84 (b): Analytical Ratios

Ratio	Year ended March 31, 2022			Year ended March 31, 2021	% Variance	Reasons for Variance (If above 25%)
	Numerator (₹ in Lakh)	Denominator(₹ in Lakh)	Ratio(%)	Ratio(%)		
Capital to risk-weighted assets ratio (CRAR)	103,177.20	334,085.78	30.89	23.03	7.86	NA
Tier I CRAR	99,782.12	334,085.78	29.87	22.08	7.79	NA
Tier II CRAR	3,395.08	334,085.78	1.02	0.95	0.06	NA
Liquidity Coverage Ratio	8,068.03	10,526.20	76.65	NA	NA	NA

Note 84 (c):Liquidity Coverage Ratio Disclosure

(₹ in Lakh)

Sr. No	Particulars	Year ended March 31st 2022	
		Total Unweighted Value (average)	Total weighted Value (average)
High Quality Liquid Assets			
1	Cash and Bank Balance	3,162.02	3,162.02
2	Investment in Government securities	4,906.01	4,906.01
3	**Total High Quality Liquid Assets (HQLA)**	**8,068.03**	**8,068.03**
Cash Outflows			
4	Deposits (for deposit taking companies)	-	-
5	Unsecured wholesale funding	-	-
6	Secured wholesale funding	13,993.69	16,092.75
7	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	-	-
8	Other contractual funding obligations	10,005.53	11,506.36
9	Other contingent funding obligations	-	-
10	Other	1,779.14	2,046.01
11	**TOTAL CASH OUTFLOWS**	**25,778.36**	**29,645.12**
Cash Inflows			
12	Secured lending	8,000.00	6,000.00
13	Inflows from fully performing exposures	11,239.35	8,429.51
14	Other cash inflows	6,252.55	4,689.41
15	**TOTAL CASH INFLOWS**	**25,491.90**	**19,118.92**

Sr. No	Particulars	Total Adjusted value year ended March 31, 2022	Total Adjusted value year ended March 31, 2022
16	**TOTAL HQLA**	8,068.03	8,068.03
17	**TOTAL NET CASH OUTFLOWS**	10,526.20	10,526.20
18	**LIQUIDITY COVERAGE RATIO (%)**	76.65%	76.65%

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 85: The Company has 103 branches as at March 31, 2022 (82 branches as at March 31,2021). The list of branches is given below.

SHRIRAM HOUSING FINANCE LTD.		
LIST OF BRANCHES		
SR. No	**State**	**Name of Branch**
1	Andhra Pradesh	Vijayawada
2	Andhra Pradesh	Visakhapatnam
3	Andhra Pradesh	Kurnool
4	Andhra Pradesh	Nellore
5	Andhra Pradesh	Rajahmundry
6	Andhra Pradesh	Guntur
7	Andhra Pradesh	Tirupathi
8	Chattisgarh	Raipur
9	Chattisgarh	Bilaspur
10	Delhi	Delhi
11	Gujarat	Surat
12	Gujarat	Rajkot
13	Gujarat	Vadodara
14	Gujarat	Mehsana
15	Gujarat	Palanpur
16	Gujarat	Bhavnagar
17	Gujarat	Bharuch
18	Gujarat	Ahmedabad
19	Gujarat	Ahmedabad - Mani Nagar
20	Gujarat	Veraval
21	Gujarat	Jamnagar
22	Gujarat	Jetpur
23	Gujarat	Morbi
24	Gujarat	Vapi
25	Karnataka	Bengaluru
26	Karnataka	Mysore
27	Karnataka	Banashankari
28	Karnataka	Hubli
29	Karnataka	Davangere
30	Karnataka	Indira Nagar, Bengaluru
31	Karnataka	Tumkur
32	Karnataka	Belgavi
33	Karnataka	Mangalore
34	Karnataka	Shimoga
35	Karnataka	Balgalkot
36	Karnataka	Hassan
37	Karnataka	Mandya
38	Karnataka	Bangalore Whitefield
39	Kerala	Ernakulam
40	Kerala	Thrissur
41	Madhya Pradesh	Indore
42	Madhya Pradesh	Bhopal
43	Madhya Pradesh	Ujjain
44	Madhya Pradesh	Mandsaur

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

45	Madhya Pradesh	Gwalior
46	Madhya Pradesh	Jabalpur
47	Madhya Pradesh	Ratlam
48	Maharashtra	Nagpur
49	Maharashtra	Aurangabad
50	Maharashtra	Nasik
51	Maharashtra	Kolhapur
52	Maharashtra	Pune
53	Maharashtra	Amaravati
54	Maharashtra	Mumbai
55	Maharashtra	Ahmednagar
56	Maharashtra	Solapur
57	Maharashtra	Pimpri
58	Maharashtra	Vasai (W), Palghar
59	Maharashtra	Thane
60	Pondicherry/ Puducherry	Pondicehrry/ Puducherry
61	Punjab	Ludhiana
62	Punjab	Mohali (Chandigarh)
63	Rajasthan	Jodhpur
64	Rajasthan	Jaipur
65	Rajasthan	Alwar
66	Rajasthan	Kota
67	Rajasthan	Ajmer
68	Rajasthan	Udaipur
69	Rajasthan	Bikaner
70	Rajasthan	Sikar
71	Rajasthan	Bhiwadi
72	Tamil Nadu	Chennai
73	Tamil Nadu	Thiruchirapalli
74	Tamil Nadu	Coimbatore
75	Tamil Nadu	Madurai
76	Tamil Nadu	Tirunelveli
77	Tamil Nadu	Hossur
78	Tamil Nadu	Vellore
79	Tamil Nadu	Salem
80	Tamil Nadu	Tiruvallur
81	Tamil Nadu	Tiruppur
82	Tamil Nadu	Krishnagiri
83	Tamil Nadu	Chengalpet
84	Tamil Nadu	Nagercoil
85	Tamil Nadu	Theni
86	Tamil Nadu	Karur
87	Tamil Nadu	Kanchipuram
88	Tamil Nadu	Erode
89	Tamil Nadu	Kumbakonam
90	Tamil Nadu	Udumalaipet
91	Tamil Nadu	Dindigul
92	Telengana	Karimnagar
93	Telengana	Hyderabad
94	Telengana	Warangal
95	Telengana	Secunderabad
96	Telengana	Nizamabad
97	Telengana	Khammam
98	Uttar Pradesh	Lucknow
99	Uttar Pradesh	Meerut
100	Uttar Pradesh	Agra
101	Uttarakhand	Dehradun
102	West Bengal	Kolkata
103	West Bengal	Siliguri

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the year ended March 31, 2022

Note 86: Changes in liabilities arising from financing activities
Changes in liabilities arising from financing activities during 2021-22

(₹ in Lakh)

Particulars	As at March 31, 2021	Net Cash Flows	Exchange difference	Other *	As at March 31, 2022
At Amortised Cost					
Debt Securities					
-NCD Public Issue					
-NCD Retail	57,889.82	(4,500.00)		(60.20)	53,329.62
-NCD Institutional					
Subordinated Liabilities					
- Sub Debt Retail					
- Sub Debt Institutional					
Borrowings other than debt securities					
- Term Loan from Banks	223,308.91	32,429.68	115.14	(62.54)	255,791.19
- Term Loan from National Housing Bank	8,981.52	46,481.75		-	55,463.27
- Term Loan from Institution	14,505.33	(8,062.61)		8.64	6,451.36
- Commercial paper	-				-
- Cash Credit form Banks	985.94	10,371.90		1.12	11,358.96
- Working Capital Demand Loans	4,999.13	(3,500.00)		1.54	1,500.67
- Term Loan from Bank- Securitisation	7,412.99	(1,658.70)		23.14	5,777.43
- Term Loan from financial Institution/ NBFC- Securitisation	-	-	-	-	-
Deposits					
-Public Deposits	NA	NA	NA	NA	NA
Total	**318,083.64**	**71,562.02**	**115.14**	**(88.30)**	**389,672.50**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during 2020-21

(₹ in Lakh)

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
-NCD Public Issue					
-NCD Retail	38,497.28	18,800.00	-	592.54	57,889.82
-NCD Institutional					
Subordinated Liabilities					
- Sub Debt Retail					
- Sub Debt Institutional					
Borrowings other than debt securities					
- Term Loan from Banks	122,570.12	101,691.61	-	(952.82)	223,308.91
- Term Loan from National Housing Bank	13,480.37	(4,498.85)	-	-	8,981.52
- Term Loan from Institution	-	14,706.42	-	(201.09)	14,505.33
- Commercial paper	-		-	-	-
- Cash Credit form Banks	5,001.69	(3,999.91)	-	(15.84)	985.94
- Working Capital Demand Loans	3,499.65	1,500.00	-	(0.52)	4,999.13
- Term Loan from financial Institution/ NBFC- Securitisation	4,019.31	3,410.82	-	(17.14)	7,412.99
Deposits					
-Public Deposits	NA	NA	NA	NA	NA
Total	187,068.42	131,610.09	-	(594.87)	318,083.64

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

Note 87 Details of stressed loans transferred/acquired during the year (to be made separately for loans classified as NPA and SMA)
The Company has neither acquired nor transferred any stressed loans during the year ended March 31, 2022.

Note 88 Change in policy for impairment of financial instruments
There is no change in policy for impairment of financial instruments during the financial year.

Note 89 Change in the process of NPA classification
Pursuant to RBI circular RBI/2021-22/125 DOR/STR/REC.68/21.04.048/2021-22 dated November 12, 2021, on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications, the Company has revised its process of NPA classification to flagging of the borrower accounts as overdue as part of the day-end processes for the due date. Had the Company followed the earlier method, the profit before tax for the year ended on March 31, 2022 would have been higher by Rs. 346.63 Lakhs.

Note 90 Segment reporting
The Company is engaged in the business of providing loans for purchase, construction, repairs and renovation etc., of houses/ flats to individuals and corporate bodies and has its operations within India. There being only one 'business segment' and 'geographical segment', hence the segment information is not provided.

Note 91 Registration of charges or satisfaction with Registrar of Companies (ROC)
All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 92 Utilisation of borrowed funds and share premium
The Company, as part of its normal business, grants loans and advances, makes investment, provides guarantees to and accept from its customers, other entities and persons. These transactions are part of Company's normal housing finance business, which is conducted ensuring adherence to all regulatory requirements.
Other than the transactions described above, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate beneficiaries). The Company has also not received any fund from any parties (Funding party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries

Note 93 Compliance with number of layers of companies
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

Note 94(a) Undisclosed income
There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

Note 94(b) Title deeds of immovable properties not held in name of the Company
The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company during the financial year ended March 31, 2022 and March 31, 2021.

Note 94(c) Details of crypto currency or virtual currency
The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

Note 94(d) Details of benami property held
No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

Note 94(e) Wilful defaulter
The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

Note 94(f) Relationship with struck off companies
The Company has not been undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

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SHRIRAM HOUSING FINANCE LTD. MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2022

Note 95 : The figures of previous year have been rearranged/ regrouped to conform to the current year.

In terms of our report attached
For T R Chadba & Co LLP
Chartered Accountants
Firm Registration No: 006211N/N500028

Pramod Tilwani
Partner
Membership No:076650

Place: Mumbai
Date: 25th April , 2022

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Puja R Shah
Company Secretary

Place: Srinagar
Date: 25th April , 2022

PIJUSH GUPTA & CO

Chartered Accountants

GF-17, Augusta Point, Golf Course Road, Sector-53, Gurugram - 122022
P-199, C.I.T. Road, Scheme IV-M, Kolkata –700010
pijush@pijushgupta.com, sangeeta@pijushgupta.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Shriram Housing Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial Statements of Shriram Housing Finance Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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.

Basis for Opinion

We conducted our audit in accordance with 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 Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and 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 on the standalone financial statements.

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 period. These matters were addressed in the context of our audit of the Standalone Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of and Income from Loans and advances

Impairment loss allowance ("Impairment") and income from loans and advances is a Key Audit Matter considering the nature of business of the Company, the size of loan assets in relation to total assets, the geographical spread of the Company's operations and its borrower customers and inherent complexity of Company's model of estimating the impairment loss allowance on its loan assets. Additionally, the unprecedented economic slowdown caused by the Covid-19 pandemic has affected the credit quality of loan assets.

The Reserve Bank of India ("RBI") announced a relief package for select category borrowers in form of a moratorium on loan repayments and DPD freeze. This was followed by Government of India announcing a relief package of refunding the interest on interest charged to customers during the moratorium package announced by RBI. The Hon'ble Supreme Court of India vide its judgement in the case of Small Scale Industrial Manufacturers Association vs UOI & Ors. dated 23 March 2021 modified and expanded the category of borrowers who were eligible for refund of interest on interest and removal of the stay on DPD freeze of loan accounts. The calculation of interest on loan accounts and provision for impairment loss allowance require large volume of data. The accuracy thereof and adjustments necessitated by the afore-mentioned developments in the regulatory environment have had a significant impact on the financial statements for the period.

Audit procedures included the following

1. Understanding of the internal control environment related to Impairment loss allowance and recognition of interest income. Assessment and testing of design of related controls.
2. Review of Company's process of identification of borrower customers eligible for repayment moratorium
3. Review of Company's process of and controls in crediting the difference between compound interest and simple interest to eligible borrower accounts in accordance with the scheme announced by the Government and also consequent to the judgement of the Hon'ble Supreme Court
4. Review of Company's process of and controls in identification of and procedure for restructuring the loan accounts in accordance with the new regulatory provisions of RBI.
5. Manual recalculation of impairment loss allowance and credits to borrower accounts as per the relief packages on sample basis
6. Checking of the provision on loan assets as per IRACP norms

Emphasis of Matter

We draw attention to Note 77 to the standalone financial statements with respect to accounts overdue as on February 29, 2020 wherein moratorium benefit has been granted, the staging of those accounts under Ind AS as on March 31, 2021 is based on the days past due status as on February 29, 2020 in accordance with the Reserve Bank of India COVID-19 regulatory package. Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

Other Information

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, Director's Report and Corporate Governance Report, 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 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.

Responsibilities of Management and Those Charged with Governance 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 (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

Auditor's Responsibilities for the Audit of the Standalone 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 this standalone financial statement. 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 control 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 with reference to financial statements 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.

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.

Report on Other Legal and Regulatory Requirements

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

(2) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided 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, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has no pending litigations which would impact its financial position;

(ii)The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

(iii) There were no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

SANGEETA GUPTA Digitally signed by SANGEETA GUPTA Date: 2021.04.28 19:11:50 +05'30'

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28 April, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' in the independent Auditor's Report of even date to the members of Shriram Housing Finance Company Limited on the standalone financial statements for the year ended March 31, 2021

i. (a) According to the information and explanations given to us and records produced before us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us and records produced before us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and records produced before us, the title deeds of the immovable properties are held in the name of the company.

ii. The Company is in the business of providing housing finance services and consequently does not hold inventory. Hence reporting under Clause 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has granted loans, to key managerial personnel covered in the register maintained under Section 189 of the Act. The terms and conditions of such loans are not prejudicial to the Company's interest. The schedule of repayment of principal and interest has been stipulated and the repayments received are regular. (Refer Note 40 to the standalone financial statements)

iv. According to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees coming under the purview of the provisions of section 185 and 186 of the Companies Act, 20l3 and hence reporting under Clause 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us records examined by us, the Company has not accepted deposits from the public during the year and hence reporting under Clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the Company's nature of business.

vii. (a) According to the information and explanations provided to us and records examined by us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues to the appropriate authorities. No statutory dues are outstanding as on the date of the Balance Sheet for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax or sales tax or service tax or Goods & Services tax or duty of customs or duty of excise which have not been deposited on account of any dispute.

viii. Based on our audit procedures and as per information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Banks and Financial

Institutions and dues to debenture holders. The company has not taken any loan or borrowing from the Government during the year.

ix. Based on our audit procedures performed and according to the information and explanations given to us, the money raised by the company by way of debt instruments and term loans were applied for the purposes for which it was raised. The company has not raised money by way of initial public offer or further public offer of equity during the financial year.

x. According to the information and explanations given to us and during the course of examination of the books and records of the Company, we have not come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi. Based on our audit procedures and as per information and explanations given to us, managerial remuneration paid or provided during the year are in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V and are within the limits prescribed under the Act.

xii. In our opinion the Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records, all transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Financial Statements as required by applicable Ind AS. (Refer Note 40 to the standalone financial statements)

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

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 them. Accordingly, provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

SANGEETA GUPTA
Digitally signed by SANGEETA GUPTA
Date: 2021.04.28 19:12:31 +05'30'

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28 April, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Shriram Housing Finance Limited on the standalone financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Shriram Housing 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 with reference to financial statements 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 (the "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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 controls 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 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 controls stated in the Guidance Note issued by the ICAI.

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration Number: 309015E

SANGEETA GUPTA
Digitally signed by SANGEETA GUPTA
Date: 2021.04.28 19:13:09 +05'30'

Sangeeta Gupta
Partner
Membership Number: 064225
UDIN: 21064225AAAABI7127

Place: Gurugram
Date: 28 April, 2021

SHRIRAM HOUSING FINANCE LIMITED
CIN U65929TN2010PLC078004
Balance Sheet As on 31 March 2021

(Rs in Lacs)

Particulars	Notes	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
I ASSETS			
1 Financial assets			
Cash and cash equivalents	4	10,113.47	14,871.01
Bank Balance other than above	5	4,401.04	805.50
Receivables	6		
I) Trade Receivables		-	-
II) Other Receivables		-	0.65
Loans	7	3,37,768.23	1,98,848.38
Investments	8	7,402.57	15,632.11
Other Financial assets	9	12,898.72	6,859.74
2 Non-financial Assets			
Non - Current tax assets (net)	10	418.95	2,066.84
Investment Property	11	0.28	0.28
Property, plant and equipment	12	403.77	549.22
Other Intangible assets	13	438.98	575.51
Right of Use Assets	14	920.48	1,091.46
Other non financial assets	15	8,509.26	8,626.08
Total assets		**3,83,275.75**	**2,49,926.78**
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
Payables			
(I)Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small		1,604.32	2,018.49
(II)Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small		-	-
Debt Securities	17	57,889.82	38,497.28
Borrowings (other than debt security)	18	2,60,193.82	1,48,571.14
Other Financeial liabilities	19	2,920.31	8,259.52
2 Non-financial Liabilities			
Provisions	20	217.46	205.71
Deferred tax liabilities (net)	35	2,536.95	886.48
Other non-financial liabilities	21	266.02	186.89
3 Equity			
Equity share capital	22	21,416.00	21,416.00
Other equity	23	36,231.05	29,885.27
Total Liabilities and Equity		**3,83,275.75**	**2,49,926.78**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No: 309015E

Sangeeta Gupta

Sangeeta Gupta
Partner

Membership No:064225

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: April 28, 2021

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Statement of Profit and Loss for the Year Ended 31 March 2021

(Rs in Lacs)

	Particulars	Notes	For the Year Ended 31 March 2021 (Audited)	For the period ended 31 March 2020 (Audited)
	Revenue from operations			
(i)	Interest Income	24	32,940.32	27,692.66
(ii)	Fees and commission Income	24(a)	28.94	3.77
(iii)	Net gain on fair value changes	25	775.29	842.15
(iv)	Net gain on derecognition of financial instruments under amortised cost category	26	7,390.05	6,949.02
(v)	Others (to be specified)	27	1,055.88	828.05
(I)	**Total Revenue from operations**		42,190.48	36,315.65
(II)	Other Income (to be specified)	28	642.11	283.91
(III)	**Total Income (I+II)**		42,832.59	36,599.56
	Expenses			
(i)	Finance Costs	29	20,799.95	16,296.92
(ii)	Impairment on financial instruments	30	2,013.27	2,559.11
(iii)	Employee Benefits Expenses	31	6,646.66	6,370.29
(iv)	Depreciation, amortization and impairment	32	728.32	742.48
(v)	Others expenses (to be specified)	33	4,220.78	4,099.81
(IV)	**Total Expenses (IV)**		34,408.98	30,068.61
(V)	Profit / (loss) before exceptional items and tax (III-IV)		8,423.61	6,530.95
(VI)	Exceptional items		-	
(VII)	Profit/(loss) before tax (V -VI)		8,423.61	6,530.95
(VIII)	Tax Expense:			
	(1) Current Tax	34	935.98	1,422.52
	(2) MAT	34	-	1.75
	(3) Deferred Tax	34	1,439.66	456.53
	(4) Income tax of earlier years	34	(190.33)	(1.75)
(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		6,238.30	4,651.90
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)		-	-
(XIII)	Profit/(loss) for the period		6,238.30	4,651.90
(XIV)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) on defined benefit plan		3.12	9.49
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.78)	(2.76)
	Subtotal (A)		2.34	6.73
	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)		2.34	6.73
(XV)	Total Comprehensive Income for the period		6,240.64	4,658.63
(XVI)	Earnings per equity share			
	Basic (Rs.)		2.91	2.17
	Diluted (Rs.)		2.90	2.16

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No: 309015E

Sangeeta Gupta

Sangeeta Gupta
Partner
Membership No:064225

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Place: Mumbai
Date: April 28, 2021

SHRIRAM HOUSING FINANCE LIMITED

Cash flow statement for the Year Ended 31 March 2021

(Rs in Lacs)

Particulars	For the Year Ended 31 March, 2021 (Audited)	For the Year Ended 31 March, 2020 (Audited)
A) Cash flow from Operating activities		
Net Profit before taxation	8,423.61	6,530.95
Adjustment for :		
Depreciation, amortization and impairment on PPE & ROU Assets	728.32	742.48
(Profit)/Loss on sale of fixed assets (net)	54.03	11.67
NCD issue expenses	193.70	161.36
Bad debts written off	598.36	1,300.55
Impairment of financial instruments	1,416.98	1,258.09
Impairment on lease receivables	(0.22)	0.47
(Gain)/Loss on sale of investments	(840.56)	(799.91)
Provision for lease rental	0.41	(18.15)
Interest received	(675.04)	(46.97)
Actuarial (Gain)/loss on Remeasurement of Gratuity expense	3.12	9.49
Net (Gain)/Loss on fair value changes on investments	65.27	(42.24)
Fair valuation of ESOP	105.14	58.50
Net (gain)/Loss of derecognition of financial instruments under amortised cost category	(7,390.05)	(6,949.02)
Finance Cost related to SCUF Guarantee	117.13	15.65
Amortisation of Prepaid Lease Rent	-	(1.31)
Interest income on fair valuation of security deposit	(42.75)	(26.55)
Recognition of Interest on NPA	(176.29)	(113.19)
Amortisation of Processing Fees on Loans & Advances	(35.57)	(176.92)
Amortisation of Investments on PTCs	0.60	1.25
Mortgage guarantee fee written off	18.12	33.25
Amortisation of processing fees on cash credit	-	4.14
Interest on Lease liability	94.73	125.05
Gain on Remeasurement of Leases	(3.39)	(1.87)
Lease Rent Waiver	(78.40)	
Rates and Taxes / Brokerage / Professional Charges added to ROU assets	-	(0.79)
Interest income of Lease Receivable	(1.24)	(1.39)
EIR Impact on Fixed Rate Loans	204.20	150.26
Operating profit before working capital changes	**2,780.21**	**2,224.85**
Movement in working capital:		
(Increase) / decrease in loans and advances	(1,37,814.30)	(14,996.80)
(Increase) / decrease in other Non Financial Assets	(1,062.45)	306.88
(Increase) / decrease in other Financial Assets	740.89	(6.28)
Increase / (decrease) in other Non Financial Liabilities	79.04	67.82
Increase / (decrease) in other Financial Liabilities	(4,340.98)	943.37
Increase / (decrease) in Other Payables	33.22	(24.50)
Cash generated from operation	**(1,39,584.37)**	**(11,484.66)**
Direct Taxes Net of refund / (Direct Taxes Paid)	1,112.27	(1,774.74)
Net Cash flow from/ (used in) operating activities (A)	**(1,38,472.10)**	**(13,259.40)**
B) Cash flow from investing activities		
Purchase of fixed and intangible assets	(87.61)	(394.79)
Proceeds from sale of fixed assets	13.31	4.46
Proceeds from sale of Security Receipts	347.68	530.52
Purchase of Investments	(1,91,327.50)	(15,23,186.00)
Proceeds from sale of investments	1,99,983.82	15,29,722.21
Investment in Fixed deposit	(73,327.50)	(21,601.81)
Proceeds on Maturity of Fixed Deposits	69,800.07	21,000.00
Interest received (others)	675.04	46.97
Net Cash flow from/(used in) investing activities (B)	**6,077.31**	**6,121.56**
C) Cash flow from financing activities		
Increase/(Decrease) of debt securities	18,800.00	(18,400.00)
Lease liabilities paid	(323.94)	(381.67)
Interest Paid on lease liabilities	(94.73)	(125.05)
Increase/(Decrease) of Borrowings	1,09,384.75	39,733.01
NCD issue expenses	(128.83)	(264.56)
Net Cash flow from/(used in) financing activities (C)	**1,27,637.25**	**20,561.73**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(4,757.54)**	**13,423.89**
Cash and cash equivalents at the beginning of the year	**14,871.01**	**1,447.12**
Cash and cash equivalents at the end of the period	**10,113.47**	**14,871.01**

Component of cash and cash equivalents	For the Year Ended 31 March, 2021 (Audited)	For the Year Ended 31 March, 2020 (Audited)
Cash on hand	6.38	3.46
Balances with banks:		
- Current Account /Cash Credit Account	5,791.35	20.12
- in deposit accounts having original maturity less than three months	4,315.74	14,847.43
Total Cash and cash equivalents	**10,113.47**	**14,871.01**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No: 309015E

Sangeeta Gupta
Partner
Membership No:064225

Place: Mumbai
Date: April 28, 2021

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

V. S. Chakravarti
Director
DIN:00052308

Gaur Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

Place: Mumbai
Date: April 28, 2021

Shriram Housing Finance Limited
Condensed Statement of changes in equity

a. Equity Share Capital

	No. of shares	Rs. in Lacs
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2019	**21,41,60,000**	**21,416.00**
Changes in share capital during the year	-	-
As at 31 March, 2020	**21,41,60,000**	**21,416.00**
Changes in share capital during the period	-	-
As at 31 March, 2021	**21,41,60,000**	**21,416.00**

b. Other Equity

(Rs in Lacs)

	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at April 1, 2019	2,798.69	16.17	12,180.00	183.91	9,920.75	64.85	25,164.37
Profit for the year					4,651.90		4,651.90
Other comprehensive income						6.73	6.73
Transferred from retained earnings to statutory reserve	932.80				(932.80)		-
Transfer from retained earnings		2.63			(2.63)		-
Transfer to retained earnings					3.77		3.77
Share-based payments		58.50					58.50
							-
Balance as at 31 March 2020	**3,731.49**	**77.30**	**12,180.00**	**183.91**	**13,640.99**	**71.58**	**29,885.27**

(Rs in Lacs)

	Reserves and Surplus					Other Comprehensive Income	Total
	Statutory reserve	Share option outstanding	Securities premium account	Deemed Investment (SCUF)	Retained Earnings	Actuarial gains/ (losses)	
Balance as at April 1, 2020	3,731.49	77.30	12,180.00	183.91	13,640.99	71.58	29,885.27
Profit for the year					6,238.30		6,238.30
Other comprehensive income						2.34	2.34
Transferred from retained earnings to statutory reserve	1,254.00				(1,254.00)		-
Transfer from retained earnings							-
Transfer to retained earnings		(1.81)			1.81		-
Share-based payments		105.14					105.14
Balance as at 31 March 2021	**4,985.49**	**180.63**	**12,180.00**	**183.91**	**18,627.10**	**73.92**	**36,231.05**

As per our report of even date

For Pijush Gupta & Co.
Chartered Accountants
Firm Registration No: 309015E

Sangeeta Gupta

Sangeeta Gupta
Partner
Membership No:064225

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors
Shriram Housing Finance Limited

Subramanian Jambunathan
Managing Director and CEO
DIN:00969478

Y. S. Chakravarti
Director
DIN:00052308

Gauri Shankar Agarwal
Chief Financial Officer

Bhavita Ashiyani
Company Secretary

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Place: Mumbai
Date: April 28, 2021

Place: Mumbai
Date: April 28, 2021

Shriram Housing Finance Limited
Notes forming part of financial statements

1. Corporate Information

Shriram Housing Finance Limited (the Company) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) is CIN U65929TN2010PLC078004.The company received its Certificate of Registration from National Housing Bank (NHB) as required under Section 29A of the National Housing Bank Act, 1987, on August 4, 2011. The Company is primarily engaged in the business of providing loans for construction or purchase of residential property and loans against property.

The Company is a subsidiary of Shriram City Union Finance Ltd.

The registered office of the Company is at No. 123, Angappa Naicken Street, Chennai – 600 001.

2. Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) .

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 Ind AS. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).The financial statements are presented in Indian Rupees (INR) which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest lacs, except when otherwise indicated.

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

3. Significant accounting policies

3.1 Use of estimates, judgements 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

3.2Revenue from operations

(i) Interest and similar 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 Fair value through Profit and loss (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 amount (i.e.net of provision)of the financial asset.

(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.

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(iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 25), 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 Fair value through Other Comprehensive Income ("FVOCI") is recognised in net gain/ loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(v) Rental Income

Rental income from subleases is recognized as per contractual terms. Subleases given by the company are in nature of operating leases i.e. the company does not transfer substantially all of the risks and benefits of ownership of the asset.

3.3 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.

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 interest expenses with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method.

Interest on lease liability is recognized on the basis incremental borrowing rate used for discounting the lease liability.

Guarantee commission is in respect of corporate guarantee taken from holding company.

Net interest on net defined liability of defined employee benefit plan (i.e. interest cost on defined benefit obligation net of any interest income on plan investments) which reflects change in net liability arising from passage of time forms part of finance cost.

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(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. 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, 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

Eligible 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.

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 recognizes 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 recognized 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 recognized 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 contributes on a lumpsum basis towards the ascertained liabilities to the Trustees – Shriram Housing Finance Limited Employees Group Gratuity Fund Scheme. 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 recognized 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. During the year company has discontinued providing liabilities towards compensated absences according to Company's policy.

(iii) Rent Expense:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. For arrangements entered into prior to 1st April 2019, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

The Company's lease asset classes consist of leases for buildings, service amenities and furniture therein and motor vehicle.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate at the transition date in case of leases existing as on the date of transition date and in case of leases entered after transition date, incremental borrowing rate as on the date of lease commencement date. In case of existing leases the said date would be the date of transition. It is 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 Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

In case of subleases, the Company assesses whether the sublease is a finance lease or operating lease at its commencement on basis of its contractual terms and conditions. The discount rate used for the head lease is used to measure the investment in the sublease in case it is a finance lease.

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In case of leases where Ind AS 116 is not applicable and where the Company has opted for exemption available in Ind AS 116, rent expense representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

(iv) 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 recognized 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 flow 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.

(v) Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

(vi) Rating Expenses

The company evaluates whether rating fee is directly attributable and incremental to each borrowing/NCD. If such fees are directly attributable to the acquisition of the borrowing, then same is considered for EIR. If such fees are not directly attributable to the acquisition of the borrowing, then the same is charged to Profit and Loss proportionately as and when the borrowing facility is availed.

(vii) Mortgage Guarantee Fee not written off

Mortgage Guarantee fee is the guarantee fee paid to a Mortgage Insurance for risk mitigation when any loan becomes NPA. The Company has decided to amortise such fee on straight line basis over the expected life of loan as expected by management or actual life of loan whichever is earlier.

(viii) Other expenses

All Other expenses are recognized in the period they accrue.

(ix) Taxes

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current Tax

Current tax assets and liabilities for the current and prior years 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 where the Company operates and generates taxable income.

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Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant taxpaying unit intends to settle the asset and liability on a net basis.

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, 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 in a year 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

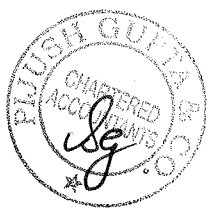
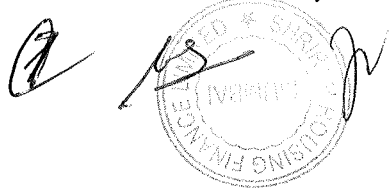
Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. 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.
2. 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.

3.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of Property, plant and equipment (PPE) 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. Subsequent to initial recognition, Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). 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 estimated by the management.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II to Companies Act, 2013	Useful life estimated by Company
Electrical installation and equipment	10 years	10 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Computer	3 years	5 years
Servers	6 years	6 years

Leasehold improvements 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually.

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.

3.5 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.

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The Company considers that the useful life of an intangible asset comprising of computer software will not exceed 5 years from the date when the asset is available for use. 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.

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. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from/ up to the date of acquisition/sale.
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.

3.6 Investment Property
Investment property consists of vacant land. Investment properties are measured initially at cost including transaction costs. Investment property being land is not depreciated.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

3.7 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.

3.8 Assets held for sale:
Assets held for sale comprises of house properties, which were held as collaterals against the loans given to customer, whose physical and legal possessing has been taken over by the company due to customers' default on repayment of the loan. Management intends to sell these properties for which regular auctions are conducted.
Such assets are classified as held for sale when their carrying amount is intended to be recovered principally through sale rather than through continued use.

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At the time of initial classification as assets held for sale, these assets are measured at the lower of carrying amount and fair value plus directly attributable cost related to repossessed asset. 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 revised valuation.
Asset will have to be sold within three years from possession date. If the investment in such properties (land and buildings) exceeds 20% of capital fund as per NBFC – Housing Finance Company (Reserve Bank) directions, 2021 (of which such investment over and above 10% of owned fund shall be in residential units), the excess shall be written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise the 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

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

3.11.1 Financial Assets

3.11.1.1 Classification

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

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income(FVOCI)
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:

1. *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:

a. 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

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b. 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
c. 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)
d. 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.

2. *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.

3.11.1.2 Initial Recognition –Financial assets are initially recognised at fair value.

3.11.1.3 Subsequent Measurement

Financial assets measured at amortised cost

Debt instruments

Debt instruments 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.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate (EIR) method.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
The measurement of credit impairment is based on the three-stage expected credit loss model described below in Note 3.14 Impairment of financial assets.

Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments 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 debt instruments 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 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. The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost. The expected credit loss model is described below in Note 3.14 Impairment of financial assets.

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 can be 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. As at reporting date, there are no equity instruments measured at FVOCI.
Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

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.

Financial instruments 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.

Financial instruments designated as measured at fair value through profit or loss
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.

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3.11.2 Financial Liabilities

3.11.2.1 Classification

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.

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.

3.11.2.2 Initial Measurement

Financial liabilities are initially measured fair value minus, in case of financial liability not at FVTPL, transaction costs directly attributable to acquisition or issue. The company's financial liabilities include loans and borrowings and other payables.

3.11.2.3 Subsequent Measurement

Financial liabilities, except those at FVTPL, are subsequently carried at amortized cost using the effective interest method. 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.

3.11.3 Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

3.11.4 Financial Guarantees

Financial guarantees given 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.

Financial guarantees received are recognised in the financial statements at fair value of the premium paid. In case of guarantees received without consideration from group companies, the fair value of premium payable over the life of the guarantee is recognised as deemed investment. The fair value of premium is recognised as expense in the statement of profit and loss on a straight-line basis over the life of the guarantee.

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3.12 Reclassification of financial assets and liabilities

The Company reclassifies a financial asset or a group of financial assets only on change in business model for managing that financial asset or group of financial assets. Financial liabilities are never reclassified.

3.13 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 3.11 above) 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 as 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.

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Level 3 financial instruments - Those that include one or more unobservable inputs those are significant to the measurement as whole.

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.

3.14 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 and loan commitments, lease receivables, and financial assets held at FVOCI; 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 either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into housing loan, non-housing loan, and project finance.

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.

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

Stage 1:12-months ECL

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 loan advances up to 30 days default under this category. Stage 1 loan advances also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI the investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch downward in the credit rating.

Stage 2: Lifetime ECL – not credit impaired

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. More than 30 Days Past Due is considered as significant increase in credit risk. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

For Investments measured at FVOCI, in case there is a downgrade in credit rating by two or more notches, the investment is taken as at Stage 2 and life time PD is applied.

Stage 3: Lifetime ECL – credit impaired

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. More than 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for e.g. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

For Investments measured at FVOCI, any investment which is non performing or in default or restructured is taken to be as at Stage 3.

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;

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

ECLs are recognised as impairment on financial instruments in profit and loss. In the case of debt instruments measured at fair value through other comprehensive income, the measurement of ECLs is based on the three-stage approach as applied to financial assets at amortised cost.

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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.

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. As at the reporting date, the Company does not have any such instruments.

Undrawn Loan commitments

ECL is calculated on the undrawn loan commitments considering of same stage as if considered for part disbursed and considering as stage 1 if fully undisbursed. This is shown in the balance sheet as a provision.

Lease receivables

The Company has adopted simplified approach for ECL on lease receivable and calculates Lifetime ECL using inputs similar to those used for loan portfolio.

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.PD is considered as an average of past 8 years PD for calculating ECL The concept of PD is further explained in Note45.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date. The concept of EAD is further explained in Note45.

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 in respect of assets which has defaulted in last 7 years It is usually expressed as a percentage of the EAD. The concept of LGD is further explained in Note45.

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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.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, wherever possible. The collateral comes in the form of immovable properties. The fair value of collateral affects the calculation of ECLs. Collateral is valued based on data provided by independent valuers.

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.

3.15 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

3.16 Recognition and derecognition of financial assets and liabilities

Recognition:

a) Loans and Advances are initially recognised when the cheque is issued or funds are transferred to the customers
b) Investments are initially recognised on the settlement date.
c) Debt securities 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.

Derecognition

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

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If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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 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.

When, as a result of transfer, a financial asset is derecognised in its entirety but the transfer results in the Company obtaining a new financial asset, the Company recognises the new financial asset at fair value.

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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.

3.17 Deemed investment

Fair value of corporate guarantee taken from Holding company is recognised as Deemed Investment and corresponding effect is given to prepaid expenses which is amortised.

3.18 Offsetting

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 and intends to settle on a net basis or to realise the asset and settle the liability simultaneously in all of 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

3.19 Provisions

Provisions are recognised when the enterprise has a present obligation 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 company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. As at reporting date, the Company does not have any such provision where effect of time value of money is material. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. 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.

3.20 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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3.21 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 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 period, 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.

3.22 Employee Stock Option Plan

Employees of the Company receive remuneration in the form of equity settled share-based payments in consideration of the services rendered.

The Company recognizes compensation expense relating to share-based payments as employee benefit expenses' with a corresponding increase in equity, over the vesting period, using the grant date fair-value of the option in accordance with Ind AS 102, Share-based Payments. The grant date fair value of the options is calculated using the Black-Scholes model.

The estimated fair value of the awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in substance, multiple awards with a corresponding increase to share options outstanding account. At the end of each reporting period, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

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Notes to financial statements for the Year Ended 31 March 2021

Note 4: Cash and cash equivalents (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Cash on hand	6.38	3.46
Balances with Banks		
- in current accounts	5,791.35	20.12
- in deposit accounts having original maturity less than three months	4,315.74	14,847.43
Total	**10,113.47**	**14,871.01**

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.

Note 5: Other Bank Balances (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Other Bank Balances		
Fixed deposit with original maturity for more than 3 months but less than 12 month	2,640.65	4.50
Fixed deposit with original maturity of more than 12 months	256.89	18.50
Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments*	1,503.50	782.50
Total	**4,401.04**	**805.50**

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for Rs 25 Lacs (31 March 2020 Rs 25 Lacs)

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110 Lacs (31 March 2020 Rs 110 Lacs)

*Fixed Deposit is under lien to the extent for Rs 1298.50 Lacs marked in favour of "IDBI Trusteeship Services Limited" in respect to Securitization as cash collateral. (31 March 2020 Rs 647.50 Lacs)

*Fixed Deposit is under lien to extent of Rs 70 lacs in favour of ICICI Bank in respect of sourcing and servicing agreement. (31st March 2020 Rs Nil)

Note 6: Receivables (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Secured, considered good	-	-
Unsecured, considered good	-	0.65
Total	-	**0.65**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. No ECL is taken on receivable as amount is immaterial and management considers all receivables as good.

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Notes to financial statements for the Year Ended 31 March 2021

Note 7: Loans

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)						As at 31 March 2020 (Audited)					
	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at Through profit or loss	Sub-total	Total	Amortised Cost	At Fair value: Through Other Comprehensive Income	At Fair value: Through profit or loss	At Fair value: Designated at Through profit or loss	Sub-total	Total
(A)												
i) Term loans	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Total (A) - Gross	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Less : Impairment loss allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total (A) - Net	3,37,768.23	-	-	-	-	3,37,768.23	1,98,848.38	-	-	-	-	1,98,848.38
(B)												
i) Secured by tangible assets	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Total (B) - Gross	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Less : Impairment loss allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total (B) - Net	3,37,768.23	-	-	-	-	3,37,768.23	1,98,848.38	-	-	-	-	1,98,848.38
(C)												
Loans in India												
i) Public Sector	-	-	-	-	-	-	-	-	-	-	-	-
ii) Others												
Individuals	2,91,869.84					2,91,869.84	1,62,903.82					1,62,903.82
Corporates	50,739.90					50,739.90	39,532.91					39,532.91
Total - Gross	3,42,609.74	-	-	-	-	3,42,609.74	2,02,436.73	-	-	-	-	2,02,436.73
Less: Impairment Loss Allowance	(4,841.51)	-	-	-	-	(4,841.51)	(3,588.35)	-	-	-	-	(3,588.35)
Total - Net	3,37,768.23	-	-	-	-	3,37,768.23	1,98,848.38	-	-	-	-	1,98,848.38
Loans outside India	-	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-	-	-
Total - Net	-	-	-	-	-	-	-	-	-	-	-	-
Total (C)	3,37,768.23	-	-	-	-	3,37,768.23	1,98,848.38	-	-	-	-	1,98,848.38

Loans under Financial Assets Rs 3,42,609.74 Lacs (31 March, 2020 Rs. 2,02,436.73 Lacs) include disbursement cheques for Rs 29,575.64 Lacs (31 March 2020 Rs 11,460 Lacs) issued against sanctioned loans not encashed by respective borrowers till 31 March , 2021. Interest income of Rs. 150.63 Lacs (March 2020 Rs 72 Lacs) for the period has been booked in respect of these loans. These loans are also considered for overall stock allocation against secured borrowings of the company in ordinary course of business. Loans of Rs. 1,302 Lacs have been cancelled after Balance Sheet date. Purchase Consideration of Loans bought during the FY 2020-21 is Rs 40,022.48 Lacs (FY 2019-20 Rs 11,310.82 Lacs)

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 and policies on ECL allowances are set out in Note 45

	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
High grade	3,16,481.00			3,16,481.00	1,76,871.60			1,76,871.60
Standard grade	8,116.23			8,116.23	7,083.89			7,083.89
Sub-standard grade		6,041.03		6,041.03		10,356.58		10,356.58
Past due but not impaired		5,549.30		5,549.30		3,240.64		3,240.64
Non- performing :								
Individually impaired			6,422.18	6,422.18			4,884.02	4,884.02
Total	3,24,597.23	11,590.33	6,422.18	3,42,609.74	1,83,955.49	13,597.22	4,884.02	2,02,436.73

Reconciliation of Gross Carrying amount is given below:

(Rs in Lacs)

	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	1,83,955.49	13,597.22	4,884.02	2,02,436.73	1,59,267.37	20,333.97	5,164.85	1,84,766.19
New assets originated or purchased	2,19,366.20	120.46	5.92	2,19,492.58	1,12,663.86			1,12,663.86
Assets derecognised or repaid (excluding write offs)	(75,532.70)	(2,384.65)	(1,133.28)	(79,050.63)	(86,550.12)	(6,024.02)	(1,740.98)	(94,315.12)
Transfers to Stage 1	5,517.22	(5,454.03)	(63.19)	(0.00)	6,721.00	(6,030.16)	(690.84)	(0.00)
Transfers to Stage 2	(7,350.99)	7,350.99	-	-	(7,078.19)	7,297.32	(219.13)	-
Transfers to Stage 3	(1,357.99)	(1,639.66)	2,997.65	-	(942.97)	(1,433.83)	2,376.80	0.01
Changes to contractual cash flows due to modifications not resulting in derecognition				-				-
Amounts written off			(268.94)	(268.94)	(125.46)	(546.06)	(6.68)	(678.20)
Gross carrying amount closing balance	3,24,597.23	11,590.33	6,422.18	3,42,609.74	1,83,955.49	13,597.22	4,884.02	2,02,436.73

Reconciliation of ECL balance is given below:

(Rs in Lacs)

	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	1,226.25	303.16	1,058.94	3,588.35	899.35	587.13	1,115.58	2,602.06
New assets originated or purchased	1,360.91	4.56	0.96	1,366.43	663.01			663.01
Assets derecognised or repaid (excluding write offs)	70.10	166.47	(294.56)	(57.99)	(10.03)	(39.49)	(601.63)	(651.15)
Transfers to Stage 1	28.49	(28.10)	(0.39)	(0.00)	46.90	(42.30)	(4.60)	(0.00)
Transfers to Stage 2	(178.43)	178.43	-	-	(149.95)	156.06	(6.11)	0.00
Transfers to Stage 3	(345.17)	(351.82)	696.99	(0.00)	(222.12)	(333.80)	555.92	-
Impact on year end ECL of exposures transferred between stages during the year				-				-
Amounts written off			(55.28)	(55.28)	(0.91)	(24.44)	(0.22)	(25.57)
Covid-19 additional provision				-				1,000.00
ECL allowance - closing balance	2,162.15	272.70	1,406.66	4,841.51	1,226.25	303.16	1,058.94	3,588.35

Out of loan balances written off during the year Rs. 268.94 Lakhs (March 31, 2020 Rs. 678.19 Lakhs), Rs. 268.19 Lacs (Marc 31, 2020 Rs. 84.49) are subject to enforcement activity by the company.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Notes to financial statements for the Year Ended 31 March 2021

For the year ended 31 March 2021

(Rs 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	3,24,597.23	2,162.15	3,22,435.08	1,721.95	440.20
	Stage 2	11,590.33	272.70	11,317.63	78.20	194.50
Subtotal		**3,36,187.56**	**2,434.85**	**3,33,752.71**	**1,800.15**	**634.70**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	**3,020.80**	**703.63**	**2,317.17**	**420.74**	**282.89**
Doubtful - up to 1 year	Stage 3	1,515.51	332.29	1,183.22	315.05	17.24
1 to 3 years	Stage 3	1,870.38	367.34	1,503.04	555.70	(188.36)
More than 3 years	Stage 3	15.49	3.40	12.09	10.86	(7.46)
Subtotal for doubtful		**3,401.38**	**703.03**	**2,698.35**	**881.61**	**(178.58)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**6,422.18**	**1,406.66**	**5,015.52**	**1,302.35**	**104.31**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	18,267.69	103.19	18,164.50	-	103.19
	Stage 2	140.52	4.22	136.30	-	4.22
	Stage 3	-	-	-	-	-
Subtotal		**18,408.21**	**107.41**	**18,300.80**	**-**	**107.41**
Total	Stage 1	3,42,864.92	2,265.34	3,40,599.58	1,721.95	543.39
	Stage 2	11,730.85	276.92	11,453.93	78.20	198.72
	Stage 3	6,422.18	1,406.66	5,015.52	1,302.35	104.31
	Additional provision as per RBI*				-	-
	Management overlay - COVID19		1,000.00	(1,000.00)	-	1,000.00
	Total	**3,61,017.95**	**4,948.92**	**3,56,069.03**	**3,102.50**	**1,846.42**

****RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17 April 2020**

For the year ended 31 March 2020

(Rs 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	1,83,955.49	1,226.25	1,82,729.24	747.76	478.49
	Stage 2	13,597.22	303.16	13,294.06	71.37	231.79
Subtotal		**1,97,552.71**	**1,529.41**	**1,96,023.30**	**819.13**	**710.28**
Non-Performing Assets (NPA)						
Substandard	**Stage 3**	**2,462.94**	**577.04**	**1,885.90**	**337.09**	**239.95**
Doubtful - up to 1 year	Stage 3	774.79	164.57	610.22	164.32	0.25
1 to 3 years	Stage 3	1,534.29	296.09	1,238.20	461.35	(165.26)
More than 3 years	Stage 3	112.00	21.24	90.76	72.62	(51.38)
Subtotal for doubtful		**2,421.08**	**481.90**	**1,939.18**	**698.29**	**(216.39)**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**4,884.02**	**1,058.94**	**3,825.08**	**1,035.38**	**23.56**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	18,655.71	126.90	18,528.81	-	126.90
	Stage 2	62.27	2.44	59.83	-	2.44
	Stage 3	-	-	-	-	-
Subtotal		**18,717.98**	**129.34**	**18,588.64**	**-**	**129.34**
Total	Stage 1	2,02,611.20	1,353.15	2,01,258.05	747.76	605.39
	Stage 2	13,659.49	305.60	13,353.89	71.37	234.23
	Stage 3	4,884.02	1,058.94	3,825.08	1,035.38	23.56
	Additional provision as per RBI*				151.04	(151.04)
	Management overlay - COVID19		1,000.00	(1,000.00)	644.32	355.68
	Total	**2,21,154.71**	**3,717.69**	**2,17,437.02**	**2,649.87**	**1,067.82**

****RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dt. 17 April 2020**

RUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Notes to financial statements for the Year Ended 31 March 2021

Note 7(a) : Disclosure of Restructured Accounts

(Rs. in lacs)

Sr. No	Type of Restructuring		Others									
	Financial year		Year ended March 31, 2021					Year ended March 31, 2020				
	Asset Classification		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	159	-	-	-	159	-	-	-	-	-
		Amount outstanding	5,819.29	-	-	-	5,819.29	-	-	-	-	-
		Provision thereon	48.06	-	-	-	48.06	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-
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**	**159**	-	-	-	**159**	-	-	-	-	-
		Amount outstanding	**5,819.29**	-	-	-	**5,819.29**	-	-	-	-	-
		Provision thereon	**48.06**	-	-	-	**48.06**	-	-	-	-	-

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 - Sytemically Important Non-Deposit taking company and Deposit Taking Company (Reserve Bank) Directions 2016 as amended are not included above.

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Notes to financial statements for the Year Ended 31 March 2021

Note 8 :Investments

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)				As at 31 March 2020 (Audited)			
	Amortised Cost	At Fair value		Total	Amortised Cost	At Fair value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
i) Mutual funds	-	-	-	-	-	-	12,465.27	12,465.27
ii) Pass through certificates (unquoted)	-	1,396.86	-	1,396.86	-	1,840.73	-	1,840.73
iii) Security Receipts	-	-	980.24	980.24	-	-	1,327.92	1,327.92
iv) Deposits with Financial Institutions	5,027.50	-	-	5,027.50	-	-	-	-
v) Intercorporate Deposit	-	-	-	-				
Total Gross (A)	**5,027.50**	**1,396.86**	**980.24**	**7,404.60**	-	**1,840.73**	**13,793.19**	**15,633.92**
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	5,027.50	1,396.86	980.24	7,404.60	-	1,840.73	13,793.19	15,633.92
Total Gross (B)	**5,027.50**	**1,396.86**	**980.24**	**7,404.60**	-	**1,840.73**	**13,793.19**	**15,633.92**
Less : Allowance for impairment loss (C)	(0.79)	(1.23)	-	(2.03)	-	(1.81)	-	(1.81)
Total - Net D = (A) + (C)	**5,026.71**	**1,395.63**	**980.24**	**7,402.57**	-	**1,838.92**	**13,793.19**	**15,632.11**

Out of the Company's FVOCI debt portfolio (PTC), instruments with a principal of Rs. 443.26 Lacs (31 March 2020: Rs. 2,136.30 Lacs) paid during the year.

Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk per 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 45

(Rs in Lacs)

Internal Grade Rating	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High Grade	6,007.74	-	-	6,007.74	13,793.19	-	-	13,793.19
Standard grade	1,396.86	-	-	1,396.86	1,840.73	-	-	1,840.73
Non Performing	-	-	-	-	-	-	-	-
Total	**7,404.60**	-	-	**7,404.60**	**15,633.92**	-	-	**15,633.92**

An analysis of changes in gross carrying amount and the corresponding ECLs is as follows:

(Rs in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Fair value – Opening balance	15,633.92	21,859.75
New assets originated or purchased	1,91,327.50	15,23,186.00
Change in fair value	(65.27)	42.24
Assets derecognised or matured	(1,99,491.55)	(15,29,454.07)
Fair value - Closing balance	**7,404.60**	**15,633.92**

(Rs in Lacs)

Particulars	Year Ended 31 March 2021	Year Ended 31 March 2020
Opening balance in ECL	1.81	4.74
New assets originated or purchased	0.79	-
Assets derecognised or matured (excluding write offs)	(0.44)	(2.52)
ECL assumption changes	(0.13)	(0.41)
Closing balance in ECL	**2.03**	**1.81**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Notes to financial statements for the Year Ended 31 March 2021

Note 9: Other financial assets

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Security deposits	366.11	314.69
Interest receivable on Pass through certificates	7.42	10.85
Less : Allowance for impairment against interest receivable on PTC	(0.01)	(0.01)
Net Lease Receivable	11.65	14.72
Less : Impairment loss allowance on lease receivables	(0.25)	(0.47)
Interest Receivable on Assignment Receivables	12,531.74	6,702.30
Less : ECL on Assignment Receivables	(370.36)	(184.83)
Exgratia Receivable from Government	342.83	-
Servicing Fee Receivable - Assignment	9.59	2.49
Total	**12,898.72**	**6,859.74**

Reconciliation of impairment allowance

(Rs in Lacs)

Particulars	General Approach					Simplified Approach
	Interest Receivable on PTC	Assignment Receivable				Net lease Receivable
	Stage 1	Stage 1	Stage 2	Stage 3	Total	
Impairment allowance as per March 31, 2019	**0.03**	-	-	-	-	-
Add: Addition during the year	-	184.14	0.69	-	184.83	0.47
(Less): Reduction during the year	(0.02)	-	-	-	-	-
Impairment allowance as per March 31, 2020	**0.01**	**184.14**	**0.69**	**-**	**184.83**	**0.47**
Add: Addition during the year	-	172.50	23.47	36.27	232.24	-
(Less): Reduction during the year	(0.00)	(46.42)	(0.29)	-	(46.71)	(0.22)
Impairment allowance as per March 31, 2021	**0.01**	**310.22**	**23.87**	**36.27**	**370.36**	**0.25**

Note 10: Non - Current tax assets / (Liabilities) (net)

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Advance income tax & Self Assessment Tax (net of provision for tax)	418.95	2,066.84
Total	**418.95**	**2,066.84**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 11 . Investment Property (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
	Land-Freehold	Land-Freehold
At cost or fair value at the beginning of the year	0.28	0.28
Additions	-	-
Disposals	-	-
At cost or fair value at the end of the period	**0.28**	**0.28**
Depreciation and impairment		
Accumulated Depreciation and impairment as at the beginning of the year	-	-
Depreciation charge for the period	-	-
Disposals	-	-
Accumulated Depreciation and impairment as at the end of the period	-	-
Net Carrying amount as at the end of the period	**0.28**	**0.28**

Note 12 : Property, Plant and Equipment and Capital work - in -progress (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)						As at 31 March 2020 (Audited)					
	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total	Computers	Electrical Installation and Equipment	Furniture & Fixtures	Office Equipment	Leasehold Improvement	Total
At cost or fair value at the beginning of the year	430.82	219.62	88.14	5.19	604.59	1,348.36	402.41	215.60	87.67	4.72	628.50	1,338.90
Additions	38.95	11.18	9.37	-	27.16	86.66	29.39	10.94	6.92	0.47	-	47.72
Disposals	(27.40)	(36.03)	(25.01)	-	(213.89)	(302.33)	(0.98)	(6.92)	(6.45)	-	(23.91)	(38.26)
At cost or fair value at the end of the period	**442.37**	**194.77**	**72.50**	**5.19**	**417.86**	**1,132.69**	**430.82**	**219.62**	**88.14**	**5.19**	**604.59**	**1,348.36**
Accumulated Depreciation and impairment as at the beginning of the year	295.27	74.31	28.10	1.57	399.89	799.14	254.15	54.07	21.74	1.11	309.58	640.65
Depreciation for the year	48.47	20.36	7.39	0.49	88.05	164.76	42.05	22.31	8.21	0.46	107.58	180.61
Disposals	(26.03)	(14.70)	(11.24)	-	(183.01)	(234.98)	(0.93)	(2.07)	(1.85)	-	(17.27)	(22.12)
Accumulated Depreciation and impairment as at the end of the period	**317.71**	**79.97**	**24.25**	**2.06**	**304.93**	**728.92**	**295.27**	**74.31**	**28.10**	**1.57**	**399.89**	**799.14**
Net Carrying amount as at the end of the period	**124.66**	**114.80**	**48.25**	**3.13**	**112.93**	**403.77**	**135.55**	**145.31**	**60.04**	**3.62**	**204.70**	**549.22**
Capital work in progress including advances for capital assets						-					-	-

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Notes to financial statements for the Year Ended 31 March 2021

Note 13: Other Intangible Assets (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
	Software	Software
At cost, beginning of the year	842.83	495.77
Additions	0.96	347.06
Disposals	-	-
Total Cost	**843.79**	**842.83**
Accumulated amortisation and impairment:		
At the beginning of the year	267.32	165.27
Amortisation	137.49	102.05
Disposals	-	-
Total Amortisation and impairment	**404.81**	**267.32**
Net Carrying amount as at the end of the period	**438.98**	**575.51**

Note 14: Right Of Use Assets (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)			As at 31 March 2020 (Audited)		
	Office Premises	Furniture's & fixtures	Total	Office Premises	Furniture's & fixtures	Total
Opening Balance	1,194.62	356.66	1,551.28	-	-	-
Adoption of Ind AS 116 "Leases"	-	-	-	1,103.25	352.21	1,455.46
Additions	289.61	-	289.61	119.90	12.33	132.23
Remeasurement	(34.51)	-	(34.51)	(28.53)	(7.88)	(36.41)
Total	**1,449.72**	**356.66**	**1,806.38**	**1,194.62**	**356.66**	**1,551.28**
Accumulated Depreciation						
At the beginning of the year	346.72	113.10	459.82	-	-	-
Depreciation	313.54	112.54	426.07	346.72	113.10	459.82
Total Depreciation	**660.26**	**225.64**	**885.90**	**346.72**	**113.10**	**459.82**
Net Carrying amount as at the end of the period	**789.46**	**131.02**	**920.48**	**847.90**	**243.56**	**1,091.46**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED

Notes to financial statements for the Year Ended 31 March 2021

Note 15: Other non financial assets (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Unamortised Expenses	300.25	454.01
Prepaid expenses	609.44	514.59
Advance salary	1.08	13.85
GST Receivable	354.19	262.02
Other sundry advances	127.67	91.06
Assets held for Sale	7,116.63	7,290.55
Total	**8,509.26**	**8,626.08**

*** Note on Asset held for sale** (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
House Property	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

During the year, Company has taken physical and legal possession of House Property, which includes house/ Apartments/vacant land (Collateral securities), with (fair value) of Rs 2,347.67 Lacs (31st March 2020 Rs 5,193.42 Lacs). These properties are readily available for sale and management regularly conducts auctions to sell these assets.

Measurement:

The non-recurring fair value measurement for the assets held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. For the assets classified as "assets held for sale" during the year valuation has been determined by Independent valuer by using the sales comparison approach for which the price (such as recent sales, municipal valuation, etc.) of the assets in the similar location are considered. This is a level 2 measurement as per the fair value hierarchy.

In respect of the assets held for sale for more than 1-year management continues its efforts to sell these assets. These assets are continued at fair value determined on initial recognition as management believe these fair values to be recoverable due to no major changes in the market condition. Some of the indicators which the management uses to assess change in real estate market condition are changes in local municipal values, prices of similar properties available online, demand for houses, etc.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 16: Trade Payables

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
I) Total outstanding dues of micro enterprises and small enterprises	-	-
II) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry Creditors	308.62	730.48
Outstanding expenses	1,295.70	1,288.01
Total	**1,604.32**	**2,018.49**

PIYUSH GUPTA & CO. Chartered Accountants

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 17: Debt securities

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)				As at 31 March 2020 (Audited)			
	At Amortised Cost	At Fair Value		Total	At Amortised Cost	At Fair Value		Total
		Through profit or loss	Designated through profit or loss			Through profit or loss	Designated through profit or loss	
Liability component of compound financial instruments	-	-	-	-	-	-	-	-
Others (Bonds/ Debenture etc.)								
Privately placed redeemable non-convertible debentures		-	-	-		-	-	-
Secured	50,412.97			50,412.97	31,124.54			31,124.54
Unsecured	7,476.85			7,476.85	7,372.74			7,372.74
Total (A)	**57,889.82**	-	-	**57,889.82**	**38,497.28**	-	-	**38,497.28**
Debt securities in India	57,889.82	-	-	57,889.82	38,497.28	-	-	38,497.28
Debt securities outside India	-	-	-	-	-	-	-	-

During the period . NCD's amounting to Rs. 27,800.00 lacs were issued and repayment of Rs.9,000 lacs in principal and Rs. 4,044.56 Lacs towards interest made

Detail of Redeemable Non-Convertible Debentures

(Rs in Lacs)

Sr. No.	ISIN No.	Date of allotment	Date of redemption	Nominal value per debenture (Rs. in Lacs)	Total number of debentures	Rate of interest p.a.	As at 31 March 2021		As at 31 March 2020 (Face Value)	As at 31 March 2020	Secured/ Unsecured
							Amount	Amount	Amount	Amount	
1	INE432R07109	27-Oct-15	27-Oct-20	10.00	400	9.00%	-	-	4,000.00	4,148.82	Secured
2	INE432R07083	26-Dec-14	26-Dec-21	10.00	150	9.35%	1,500.00	1,534.72	1,500.00	1,531.78	Secured
3	INE432R07216	14-Feb-18	12-Feb-21	10.00	500	9.00%	-	-	5,000.00	5,056.62	Secured
4	INE432R08016	09-May-19	09-May-21	1.00	2500	10.60%	2,500.00	2,513.00	2,500.00	2,468.36	Unsecured
5	INE432R07141	01-Jul-16	01-Jul-21	10.00	200	9.50%	2,000.00	2,142.46	2,000.00	2,141.91	Secured
6	INE432R07208	14-Feb-18	12-Aug-21	10.00	350	8.97%	3,500.00	3,539.24	3,500.00	3,539.24	Secured
7	INE432R07026	10-Oct-14	10-Oct-21	10.00	450	10.25%	4,500.00	4,708.77	4,500.00	4,690.73	Secured
8	INE432R07034	13-Oct-14	13-Oct-21	10.00	150	10.25%	1,500.00	1,568.27	1,500.00	1,561.85	Secured
9	INE432R07232	21-Sep-20	21-Mar-22	10.00	1000	8.15%	10,000.00	9,983.63	-	-	Secured
10	INE432R07240	23-Oct-20	22-Apr-22	10.00	1000	8.15%	10,000.00	10,344.85	-	-	Secured
11	INE432R08024	09-May-19	09-May-22	1.00	2500	10.60%	2,500.00	2,488.13	2,500.00	2,455.54	Unsecured
12	INE432R07117	29-Apr-16	29-Apr-23	10.00	250	9.00%	2,500.00	2,699.23	2,500.00	2,695.18	Secured
13	INE432R07125	02-May-16	02-May-23	10.00	150	9.00%	1,500.00	1,618.41	1,500.00	1,615.98	Secured
14	INE432R08032	09-May-19	09-May-23	1.00	2500	10.60%	2,500.00	2,475.73	2,500.00	2,448.84	Unsecured
15	INE432R07224	05-Jun-20	05-Jun-23	10.00	400	8.55%	4,000.00	4,264.59	-	-	Secured
16	INE432R07018	10-Oct-14	10-Oct-24	10.00	400	10.30%	4,000.00	4,153.85	4,000.00	4,142.43	Secured
17	INE432R07257	11-Dec-20	11-Dec-30	10.00	170	9.60%	1,700.00	1,733.74	-	-	Secured
18	INE432R07265	15-Jan-21	15-Jan-31	10.00	210	9.42%	2,100.00	2,121.20	-	-	Secured
Total amount							**56,300.00**	**57,889.82**	**37,500.00**	**38,497.28**	

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 18: Borrowings
Notes to financial statements for the Year Ended 31 March 2021

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)				As at 31 March 2020 (Audited)			
		At Fair Value				At Fair Value		
	At Amortised Cost	Through profit or loss	Designated through profit or loss	Total	At Amortised Cost	Through profit or loss	Designated through profit or loss	Total
Secured :								
Term Loan								
From Banks	2,23,308.91	-	-	2,23,308.91	1,22,570.12	-	-	1,22,570.12
From Financial Institutions	23,486.85	-	-	23,486.85	13,480.37	-	-	13,480.37
From Banks - Securitization	7,412.99	-	-	7,412.99	4,019.31	-	-	4,019.31
From others	-	-	-	-	-	-	-	-
Deferred Payment Liabilities	-	-	-	-	-	-	-	-
Loans from related party	-	-	-	-	-	-	-	-
Finance Lease obligations	-	-	-	-	-	-	-	-
Loans repayable on demand								
Cash credit	985.94	-	-	985.94	5,001.69	-	-	5,001.69
Working Capital demand loan from banks	4,999.13	-	-	4,999.13	3,499.65	-	-	3,499.65
Unsecured :								
Commercial Papers		-	-	-	-	-	-	-
Total (A)	**2,60,193.83**	-	-	**2,60,193.82**	**1,48,571.14**	-	-	**1,48,571.14**
Borrowings in India	2,60,193.83	-	-	2,60,193.82	1,48,571.14	-	-	1,48,571.14
Borrowings outside India	-	-	-	-	-	-	-	-

B. Term loan form banks
Terms of repayment as at 31 March 2021

(Rs in Lacs)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
48-60 months	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly installments	22,887.58
36-48 months	7.60 % to 10.25%	8 - 60 monthly, quarterly, half yearly installments	39,329.96
24-36 months	7.60 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	44,838.59
12-24 months	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	64,887.71
0-12 months	7.30 % to 10.25%	4 - 60 monthly, quarterly, half yearly installments	51,365.07
Total			**2,23,308.91**

Terms of repayment as at 31 March 2020

(Rs in Lacs)

Tenure (from date of balance sheet date)	Rate of Interest	Repayment Details	Amount
48-60 months	9.00% to 10.00%	4 to 18 instalments of Quarterly& half yearly frequency	49,264.58
36-48 months	8.60% to 9.70%	4 to 12 instalments of half yearly frequency	14,996.48
24-36 months	8.35% to 10.00%	6 to 14 instalments of quarterly & half yearly frequency	48,011.33
12-24 months	8.35% to 9.50%	8 to 14 instalments of half yearly frequency	8,059.73
0-12 months	7.55% to 9.00%	8 to 60 instalments of monthly, quarterly & half yearly frequency	2,238.00
Total			**1,22,570.12**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

PLOSH GUPTA & CO. CHARTERED ACCOUNTANTS

Notes to financial statements for the Year Ended 31 March 2021

Nature Of Security
Term Loans from banks are secured by way of exclusive charge on specified loan receivables.

C. Refinance from National Housing Bank (Financial Institutions)

Terms of repayment as at 31 March 2021			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**Amount**
More than 60 months	10.35%	120 monthly installments	8,930.04
48-60 months	10.35%	120 monthly installments	1,378.26
36-48 months	7.10% - 10.35%	20 - 120 monthly, quaretrly installments	2,687.78
24-36 months	7.10% - 10.35%	20 - 120 monthly, quaretrly installments	3,854.65
12-24 months	7.10% - 10.35%	20 - 120 monthly, quaretrly installments	3,746.48
0-12 months	7.10% - 10.35%	20 - 120 monthly, quaretrly installments	2,889.64
Total			**23,486.85**

Terms of repayment as at 31 March 2020			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**Amount**
Above 60 months	9.85% to 9.95%	47 instalments of quarterly frequency	480.37
48-60 months	8.80%	19 instalments of quarterly frequency	13,000
Total			**13,480.37**

Nature Of Security
Refinance from NHB is secured by way of exclusive charge on specified book debts.

Cash Credit And Working Capital Demand Loans (Loan Repayble on Demand)

Cash credit / Overdraft from banks

Terms of repayment as at 31 March 2021			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**Amount**
0-12 months	7.90% - 9.35%	Loan Repayable on Demand	985.94

Terms of repayment as at 31 March 2020			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**Amount**
0-12 months	8.85% to 9.50%	Loan Repayable on Demand	5,001.69

Working Capital Demand Loans

Terms of repayment as at 31 March 2021			(Rs in Lacs)	(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**As at March 31,2021**	**As at March 31,2020**
0-12 months	8.20% - 8.25%	Bullet Payment	4,999.13	3,499.65

Nature Of Security
Cash credit and working capital demand loan from banks are secured by way of exclusive charge on specified home loan receivables.

Term loan from banks -Securitisation

Terms of Repayment as at March 31, 2021			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**As at March 31,2021**
More than 60 months	7.99% - 8.90%	227-290 installments of monthly frequency	5,572.98
48-60 months	7.99% - 8.90%	227-290 installments of monthly frequency	357.27
36-48 months	7.99% - 8.90%	227-290 installments of monthly frequency	321.97
24-36 months	7.99% - 8.90%	227-290 installments of monthly frequency	289.77
12-24 months	7.99% - 8.90%	227-290 installments of monthly frequency	260.23
0-12 months	7.99% - 8.90%	227-290 installments of monthly frequency	610.77
Total			**7,412.99**

Terms of Repayment as at March 31, 2020			(Rs in Lacs)
Tenure (from date of balance sheet date)	**Rate of Interest**	**Repayment Details**	**As at March 31,2021**
More than 60 months	10.00%	227 installments of monthly frequency	3,029.84
48-60 months	10.00%	227 installments of monthly frequency	225.19
36-48 months	10.00%	227 installments of monthly frequency	204.88
24-36 months	10.00%	227 installments of monthly frequency	183.62
12-24 months	10.00%	227 installments of monthly frequency	163.30
0-12 months	10.00%	227 installments of monthly frequency	212.48
Total			**4,019.31**

Nature Of Security
Secured by an exclusive charge by way of hypothecation of specific movable assets being current assets relating to hypothecation loan.

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED

Notes to financial statements for the Year Ended 31 March 2021

Note 19: Other financial liabilities

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Rent deposit	-	275.33
Temporary Book Overdrafts	0.00	5,833.83
Lease Liabilities	1,006.12	1,172.95
Provision for Bonus & Ex Gratia	26.79	26.79
Employee Benefit Payable	-	11.94
Payable on Account of Assignment	1,695.68	821.42
Other liabilities	191.72	117.26
Total	**2,920.31**	**8,259.52**

Lease Liability

The Company has taken various office premises under operating lease. The lease expenses recognised in the Statement of Profit and Loss are Rs. 520.81 lakhs (March 31, 2020: Rs. 584.87 lakhs). Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The non-cancellable operating lease agreements are ranging for a period 4 to 45 months as on 31.03.21. There are no restrictions imposed by lease arrangements. The Company has elected to apply the practical expedient as provided in paragraph 46A of Ind AS 116 whereby the Company has not treated as lease modification, the rent concessions occurring directly as a result of the Covid-19 pandemic. The Company has applied this practical expedient to all rent concessions it has received. The amount recognised in profit and loss for the period to reflect changes in lease payments arising from rent concessions is Rs.78.40 Lacs. (Refer Note no. 28)

Future minimum lease payments under non-cancellable operating leases as at March 31, 2021 are as follows:

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	102.11	150.80
After one year but not more than five years	143.85	151.90
More than five years	-	-

Reconciliation of Future Minimum Lease payment on Lease liability

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	450.37	413.44
After one year but not more than five years	412.30	654.41
More than five years	143.45	105.10
Total	**1,006.12**	**1,172.95**

Lease Liability

(Rs. in Lacs)

Sr No.	Class of Underlying Asset	Opening Balance of Lease Liabilities (Balance as on 01.04.2020)	Additions to Lease Liabilities, made during the year	Remeasurements during the year	Finance Cost Accrued during the period	Payment of lease Liabilities during the year	Amount of Lease Liabilities as on March 31, 2021
1	Buildings	884.42	277.72	(37.90)	73.33	(357.17)	840.40
2	Furniture & Fixtures	273.82	-	-	20.17	(139.91)	154.07
3	Car	14.73	-	-	1.24	(4.31)	11.66

The table below provides details regarding the contractual maturities of lease liabilities as on March 31, 2021

(Rs. in Lacs)

Particulars	Undiscounted Basis (IGAAP)	Discounted Basis (IND AS)
Not later than one year	522.87	450.37
Later than one year but not later than five years	528.50	412.30
Later than 5 years	161.24	143.45
Total	**1212.61**	**1,006.12**

Disclosures on Lease Liability

Qualitative Disclosures:

The leased building premises , furniture & fixtures are used to carry out business operations and related support activities. The car is sub leased to the employee. 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. In 4 cases, security deposit is paid but lease is not yet commenced. There are no restrictions or covenants are imposed by lease agreements.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 20: Provisions

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Provision for non funded exposure	107.41	129.34
Provision for employee benefits		
- Gratuity	92.60	21.45
- Provision for compensated absences	-	37.88
Provision for Lease Rent	17.45	17.04
Total	**217.46**	**205.71**

Loan commitment

The table below shows the credit quality and the maximum exposure for credit risk based on the Company's internal credit rating system and year-end stage classification. Details of the Company's internal grading system and policies on ECLs are set out in Note 45

(Rs in Lacs)

Internal rating grade	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing								
High grade	18,207.08			18,207.08	18,537.51			18,537.51
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	**18,267.68**	**140.53**	**-**	**18,408.21**	**18,655.71**	**62.27**	**-**	**18,717.98**

An analysis of changes in the gross carrying amount and the corresponding ECLs in relation to other undrawn commitments is, as follows:

Gross exposure reconciliation

(Rs in Lacs)

Particulars	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance of outstanding exposure	18,655.71	62.27	-	18,717.98	6,626.42	120.41	-	6,746.83
New exposures	14,628.63			14,628.63	16,083.97			16,083.97
Exposures derecognised or matured/lapsed (excluding write-offs)	(14,897.60)	(40.80)		(14,938.40)	(4,040.48)	(72.34)		(4,112.82)
Transfers to Stage 1				-	30.47	(30.47)		-
Transfers to Stage 2	(119.06)	119.06		-	(44.67)	44.67		-
Transfers to Stage 3				-				-
Closing balance of outstanding exposure	18,267.68	140.53	-	18,408.21	18,655.71	62.27	-	18,717.98

Reconciliation of ECL balance is given below:

(Rs in Lacs)

	Year Ended 31 March 2021				Year Ended 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
ECL allowance - opening balance	126.90	2.44	-	129.34	34.50	4.93	-	39.43
New exposures	83.22			83.22	113.51			113.51
Exposures derecognised or matured (excluding write-offs)	(103.46)	(1.69)		(105.15)	(19.60)	(4.00)		(23.60)
Transfers to Stage 1				-	0.20	(0.20)		-
Transfers to Stage 2	(3.46)	3.46		-	(1.71)	1.71	-	-
Transfers to Stage 3				-			-	-
ECL allowance - closing balance	103.20	4.21	-	107.41	126.90	2.44	-	129.34

Note 21: Other non financial liabilities

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Statutory dues payable	264.75	184.75
Retention money and other sundry liabilities	1.27	2.14
Total	**266.02**	**186.89**

PUSHI GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 22: Equity (Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
EQUITY SHARE CAPITAL		
Authorised:		
22,00,00,000(Previous Year : 22,00,00,000) equity shares of Rs. 10/- each	22,000.00	22,000.00
Ordinary Shares		
Issued and fully paid		
Issued, subscribed and fully paid up:		
21,41,60,000 (Previous Year : 21,41,60,000) equity shares of Rs. 10/- each	21,416.00	21,416.00
Total Equity	**21,416.00**	**21,416.00**

Issued Capital
The reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021 (in Lacs)	As at 31 March 2020 (in Lacs)
Authorised		
22,00,00,000 equity shares of Rs. 10/- each	2,200.00	2,200.00
	2,200.00	**2,200.00**
Issued and fully paid up		
21,41,60,000 equity shares of Rs. 10/- each	2,141.60	2,141.60
	2,141.60	**2,141.60**

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)	Rs. (in Lacs)
As at 31 March 2019	2,141.60	21,416.00
Issued during the year	-	-
As at 31 March 2020	**2,141.60**	**21,416.00**
Issued during the year	-	-
As at 31 March 2021	**2,141.60**	**21,416.00**

Terms/ rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates
Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their

No. (in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Shriram City Union Finance Limited	1,654.40	1,654.40
	1,654.40	1,654.40

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Shriram City Union Finance Limited	1,654.40	77.25%	1,654.40	77.25%
Valiant Mauritius Partners FDI Ltd.	487.20	22.75%	487.20	22.75%

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note no 37

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SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 23: Other Equity

(Rs in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)	4,985.49	3,731.49
Security Premium	12,180.00	12,180.00
Retained earnings (Surplus/deficit in profit & loss account)	18,627.10	13,640.99
Deemed Investment	183.91	183.91
Share Option outstanding	180.63	77.30
Other Comprehensive Income	73.92	71.58
Total	**36,231.05**	**29,885.27**

Note 23 (a) : Other Equity

Particulars	(Rs in Lacs) As at 31 March 2021 (Audited)	(Rs in Lacs) As at 31 March 2020 (Audited)
Securities Premium Account		
Balance at beginning of the Year	**12,180.00**	**12,180.00**
Add: Premium on shares issued during the year	-	-
Balance at end of the Period	**12,180.00**	**12,180.00**
Share Option Outstanding		
Balance at beginning of the Year	**77.30**	16.17
Add: Other Additions/ Deductions during the year	105.14	58.50
Add: Transferred to retained earning	(1.81)	2.63
Balance at end of the Period	**180.63**	**77.30**
Statutory reserve (Pursuant to section 29C of the NHB Act, 1987 & Section 36(1)(viii) of Income Tax Act, 1961)		
Balance at beginning of the Year	**3,731.49**	2,798.69
Add: Transfer from surplus balance in the Statement of Profit and Loss	1,254.00	932.80
Balance at end of the Period	**4,985.49**	**3,731.49**
Surplus in Statement of Profit and Loss		
Balance at beginning of the Year	**13,640.99**	9,920.75
Add: Profit for the year	6,238.30	4,651.90
Add/ (Less): Appropriations	-	3.77
Transfer from / (to) Share option Outstanding	1.81	(2.63)
Transfer to Statutory Reserve	(1,254.00)	(932.80)
Balance at end of the Period	**18,627.10**	**13,640.99**
Other Comprehensive Income		
Balance at beginning of the Year	**71.58**	64.85
Remeasurement gain/ (loss) on defined benefit plan	3.12	9.49
Income Tax Provision/ (Reversal) on above	(0.78)	(2.76)
Balance at end of the Period	**73.92**	**71.58**
Deemed Investment		
Balance at beginning of the Year	**183.91**	**183.91**
Add: Other Additions/ Deductions during the year	-	-
Balance at end of the Period	**183.91**	**183.91**

Note 23 (b) : Other Equity

Nature and purpose of Reserves

Statutory reserve

The 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 Company transfers amount at least 20% of the total comprehensive income after tax to Statutory reserve.

Securities Premium Reserve:

Securities premium reserve is used to record the premium on issue of shares. 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.

Retained earnings:

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, any appropriation made.

Deemed Investment

The Company has acquired a refinance from National Housing Bank for which the parent "Shriram City Union Finance Ltd" acted as a Corporate Guarantor.

The Fair value of Financial Guarantee so received has been classified as "Deemed Investments".

ESOP Reserve:

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 37 for further details of these plans.

Other comprehensive income

Remeasurement gain/loss related to defined benefit liability/assets is recognised as other comprehensive income.

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Notes to financial statements for the Year Ended 31 March 2021

Note 24: Interest income (Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)				For the Year Ended 31 March 2020 (Audited)			
	On Finaucial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Interest on loans	31,986.36	-	-	31,986.36	27,200.67	-	-	27,200.67
Interest income from investments	-	177.51	-	177.51	-	316.35	-	316.35
Interest on deposits								-
-Margin Money deposit with Bank	47.30	-	-	47.30	18.50	-	-	18.50
-Deposit with Financial Institutions	27.50	-	-	27.50	-	-	-	-
-Deposit with bank	592.37	-	-	592.37	80.53	-	-	80.53
Interest income on security deposits	42.75	-	-	42.75	26.55	-	-	26.55
Interest on Intercorporate loan	35.37	-	-	35.37	46.97	-	-	46.97
Interest income on Assignment (EIS)	31.16	-	-	31.16	3.09	-	-	3.09
Total	**32,762.81**	**177.51**	-	**32,940.32**	**27,376.31**	**316.35**	-	**27,692.66**

Note 24(a): Fees & Commission Income (Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Servicing Fees	19.24	2.11
Commission Fees	9.70	1.66
Total	**28.94**	**3.77**

Note 25: Net gain/ (loss) on fair value changes (Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	775.29	842.15
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others (to be specified)		
Total Net gain/(loss) on fair value changes (C)	**775.29**	**842.15**
Fair Value changes:		
-Realised	840.56	799.91
-Unrealised	(65.27)	42.24
Total Net gain/(loss) on fair value changes(D) to tally with (C)	**775.29**	**842.15**
Total	**775.29**	**842.15**

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Note 26: Net gain on derecognition of financial instruments under amortised cost category

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)				For the Year Ended 31 March 2020 (Audited)			
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total	On Financial Assets measured at Amortised Cost	On Financial Assets measured at fair value through OCI	On Financial assets classified at fair value through profit or loss	Total
Net gain on Assignment	7,390.05	-	-	7,390.05	6,949.02	-	-	6,949.02
Total	**7,390.05**	-	-	**7,390.05**	**6,949.02**	-	-	**6,949.02**

Note 27: Other Operating Income

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Processing Fees	459.38	330.54
Bad debts recovered	242.57	165.83
Other charges	353.93	331.68
Total	**1,055.88**	**828.05**

Note 28: Other Income

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Gain on derecognition of property, plant and equipment	4.59	0.28
Interest on Lease Receivable	1.24	1.39
Income from Subleasing of Right of Use Assets	69.19	280.37
Interest on Income Tax Refund	162.84	-
Miscellaneous income	322.46	-
Lease Rent Waiver	78.40	-
Gain on Remeasurement of Leases	3.39	1.87
Total	**642.11**	**283.91**

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Notes to financial statements for the Year Ended 31 March 2021

Note 29: Finance Cost

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)			For the Year Ended 31 March 2020 (Audited)		
	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total	On financial liabilities measured at Amortised cost	On financial liabilities measured at Through profit or loss	Total
Interest on Bank Borrowings	13,923.37	-	13,923.37	10,556.20	-	10,556.20
Interest on Loan from Financial Institutions	1,498.55	-	1,498.55	266.54	-	266.54
Interest on Debt Securities	4,778.69	-	4,778.69	4,914.99	-	4,914.99
Interest on Lease Liability	94.73	-	94.73	125.05	-	125.05
Interest on Securitization Loans	384.07	-	384.07	185.32	-	185.32
Interest on Commercial Paper	-	-	-	229.73	-	229.73
Guarantee Commission	117.13	-	117.13	15.65	-	15.65
Interest Cost on Net Defined Liability	3.41	-	3.41	3.44	-	3.44
Total	**20,799.95**	-	**20,799.95**	**16,296.92**	-	**16,296.92**

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SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 30: Impairment of financial assets

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)			For the Year Ended 31 March 2020 (Audited)		
	On financial instrument measured at amortised cost	On financial instrument measured at fair value through OCI	Total	On financial liabilities measured at Amortised cost	On financial instrument measured at fair value through OCI	Total
Loans and advances to customers	1,253.16	-	1,253.16	986.29	-	986.29
Loan undrawn commitments	(21.93)	-	(21.93)	89.91	-	89.91
Investment	0.79	(0.58)	0.21	-	(2.94)	(2.94)
Assignment Receivables	185.53	-	185.53	184.83	-	184.83
Lease Receivables	(0.22)	-	(0.22)	0.47	-	0.47
Bad Debts Written Off	596.52		596.52	1,300.55		1,300.55
Total	**2,013.85**	**(0.58)**	**2,013.27**	**2,562.05**	**(2.94)**	**2,559.11**

The table below shows the ECL charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021					For the Year Ended 31 March 2020				
	General Approach					General Approach			Simplified Approach	
	Stage 1	Stage 2	Stage 3	Simplified Approach	Total	Stage 1	Stage 2	Stage 3		Total
Loans and advances to customers	935.90	(30.45)	347.71	-	1,253.16	326.90	(283.97)	(56.64)	1,000.00	986.29
Investment	0.21	-	-	-	0.21	(2.94)	-	-	-	(2.94)
Loan undrawn commitments	(23.71)	1.78	-	-	(21.93)	92.40	(2.49)	-	-	89.91
Assignment receivables	126.08	23.18	36.27	-	185.53	184.14	0.69			184.83
Lease Receivables	-	-	-	(0.22)	(0.22)	-	-	-	0.47	0.47
Total impairment loss	**1,038.48**	**(5.49)**	**383.98**	**(0.22)**	**1,416.75**	**600.50**	**(285.77)**	**(56.64)**	**1,000.47**	**1,258.56**

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Notes to financial statements for the Year Ended 31 March 2021

Note 31: Employee Benefit expenses

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Salaries and Wages	5,983.82	5,803.95
Contribution to provident and other fund	210.58	181.64
Gratuity expenses	71.41	47.58
Share based payments to employees	105.14	58.50
Interest Expenses on Staff Loan	22.91	8.37
Staff welfare expenses	252.80	270.25
Total	**6,646.66**	**6,370.29**

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Notes to financial statements for the Year Ended 31 March 2021

Note 32: Depreciation, Amortization & Impairment

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Depreciation of Tangible Assets	164.76	180.61
Amortization of Intangible Assets	137.49	102.05
Depreciation of Right of Use Assets	426.07	459.82
Total	**728.32**	**742.48**

Note 33: Other expenses

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Rent	109.10	104.77
Printing & stationery	73.08	65.21
Travelling and conveyance	233.82	486.34
Books & periodicals	0.11	0.35
Meeting expenses	0.34	47.32
Business promotion	37.37	34.72
Communication	56.91	79.19
Director's sitting fees	12.26	9.49
Electricity	50.04	73.87
Insurance	20.54	15.45
Bank charges	46.58	16.18
Payment to auditors		
- Statutory Audit fees	16.49	15.45
- Tax Audit fees	5.45	5.45
- Certification fees	2.18	-
Royalty	461.16	357.54
Professional Charges	739.84	697.25
Registration & filing fees	5.66	3.82
Office maintenance	191.18	204.42
Business commission	867.80	482.98
Loan processing expenses	598.55	435.55
Postage & courier	40.26	32.45
Rates, duties & taxes	93.86	89.21
Membership fees	14.92	10.91
Mortgage Guarantee Fee	117.56	202.52
Corporate social responsibility	78.64	44.98
Loss on derognition of Property, Plant and Equipment	58.62	11.95
Advertisement	0.79	4.25
Collection & recovery	238.21	543.30
Miscellaneous expenditure	49.46	24.89
Total	**4,220.78**	**4,099.81**

Details of CSR expenditure:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	89.52	74.93
b) Amount spent during the year	78.64	44.84
- On purposes Other than construction/acquisition of any asset		
-In Cash	78.64	44.84
-Provision of previous years reversed in current year	-	
-Yet to be paid in Cash	-	
Total amount spent during the year	**78.64**	**44.84**

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Notes to financial statements for the Year Ended 31 March 2021

Note 34: Income Tax

The components of income tax expense for the period ended 31 March 2021 are

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Current tax	935.98	1,422.52
Tax relating to earlier years	(190.33)	(1.75)
Deferred tax	1,439.66	458.28
Total tax charge	**2,185.31**	**1,879.05**

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 India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the periods ended 31 March 2021 and 31 March 2020 is, as follows:

(Rs in Lacs)

Particulars	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Profit before tax	8,423.61	6,530.95
Statutory income tax rate	25.17%	29.12%
Expected income tax expense	2,120.06	1,901.81
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Effect of change in tax rate	(144.00)	(77.22)
Earlier year tax effect	(190.34)	-
Corporate Social Responsibility	13.50	7.15
Deduction JJAA	(3.88)	(4.46)
Others	389.97	51.77
Income tax expense reported in the statement of profit & Loss	**2,185.31**	**1,879.05**

Note 35: Deferred Tax

The following table shows deferred tax recorded in the balance sheet as at 31 March 2021:

(Rs in Lacs)

Particulars	Deferred Tax As at 31 March 2020	Income Statement 2020-21	OCI 2020-21	Deferred Tax As at 31 March 2021
Deferred Tax Asset/ (Liabilities) in relation to :				
Property Plant Equipment's & Intangible Assets	4.47	(18.33)		22.80
ECL provision undrawn Loan commitments & Investments	38.20	10.86		27.34
Unamortized Income	53.51	32.52		20.99
ESOP fair value	-	(47.66)		47.66
ECL on Loan & Advances	-	(1,106.78)		1,106.78
ECL on Interest Reversal on NPA		(84.40)		84.40
Provision for Employee benefits	7.90	51.63	(0.78)	(44.52)
Unamortized Expenses	(97.09)	(40.30)		(56.79)
Unrealised gains / loss on securities	(19.01)	(19.01)		-
Provision for lease Rental	(1.34)	(13.72)		12.38
NCD Expenses & Borrowing cost as per EIR	(36.68)	(18.83)		(17.85)
MAT Entitlement Credit	210.03	-		-
Special Reserve u/s 36 1(viii)	(741.64)	(133.94)		(607.70)
Royalty disallowed in earlier Assessment years	4.30	4.30		-
Net Right to use Asset and future rent liability	23.73	2.18		21.55
Interest Receivables on Assignment		3,153.99		(3,153.99)
IND AS transitional Impact on NPA Interest income	(332.86)	(332.86)		-
Total	**(886.48)**	**1,439.66**	**(0.78)**	**(2,536.95)**

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Note 36: Earnings per share

(Rs in Lacs)

	For the Year Ended 31 March 2021 (Audited)	For the Year Ended 31 March 2020 (Audited)
Net profit attributable to ordinary equity holders of the parent (Rs in Lacs)	6,238.30	4,651.90
Weighted average number of ordinary shares for basic earnings per share (No in Lacs)	2,141.60	2,141.60
Effect of dilution:		-
Stock options granted under ESOP (Nos.in Lacs)	9.92	9.79
Weighted average number of ordinary shares adjusted for effect of dilution	2,151.52	2,151.39
Earnings per share		
Basic earnings per share (Rs.)	2.91	2.17
Diluted earnings per share (Rs.)	2.90	2.16

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Note 37: Employee Stock Option Scheme (ESOS)

The company provides share-based payment schemes to its employees. For the year ended March 31, 2021 following Employee Stock Option Plans (ESOPs) were in existence. The relevant details of the schemes and the grants are as below :

Details of Employee Stock Option Schemes	**ESOP Scheme 2013**	**ESOP Scheme 2013**	**ESOP Scheme 2016**	**ESOP Scheme 2013**
Date of Shareholder's approval of plan	March 28, 2013	March 28, 2013	December 13, 2016	March 28, 2013
Date of grant	August 28, 2013 & April 20, 2015	December 19, 2018	February 01, 2020	February 23, 2021
Number of options granted	3,50,000	25,00,000	12,40,000	5,00,000
Method of settlement	Equity	Equity	Equity	Equity
Vesting Period	3 - 5 years	3 - 10 years	1 - 3 years	1 - 8 years
Exercise Price	10.00	10.00	35.00	10.00
Exercise Period	Not later than 5 years from the date of vesting of options	Not later than 5 years from the date of vesting of options	Not later than 3 years from the date of vesting of options	Not later than 5 years from the date of vesting of options
Vesting Conditions	Employee remaining in the employment of the enterprise during the vesting period			

Details of Vesting

Vesting period from the grant date	**ESOP Scheme 2013**	**ESOP Scheme 2013**	**ESOP Scheme 2016**
Completion of 1 year	-	-	33.33%
Completion of 2 year	-	-	33.33%
Completion of 3 year	-	12.50%	33.33%
Completion of 4 year	50%	12.50%	-
Completion of 5 year	50%	12.50%	-
Completion of 6 year		12.50%	-
Completion of 7 year		12.50%	-
Completion of 8 year		12.50%	-
Completion of 9 year		12.50%	-
Completion of 10 year		12.50%	-

Details of Vesting of New Options Granted @ 23 Feb 2021

Vesting period from the grant date	**ESOP Scheme 2013**
Year 1 - 19th December 2021	12.50%
Year 2 - 19th December 2022	12.50%
Year 3 - 19th December 2023	12.50%
Year 4 - 19th December 2024	12.50%
Year 5 - 19th December 2025	12.50%
Year 6 - 19th December 2026	12.50%
Year 7 - 19th December 2027	12.50%
Year 8 - 19th December 2028	12.50%

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PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

Details of activity under each plan

Particulars	ESOP Scheme 2013		ESOP Scheme 2013		ESOP Scheme 2016		ESOP Scheme 2013	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding as at 31 March 2020	**1,10,000.00**	**10.00**	25,00,000.00	10.00	12,40,000.00	35.00	-	-
Vested as at 31 March 2020	**5,000.00**	**10.00**	-	-			-	-
Outstanding as at 1 April 2020	1,10,000.00	10.00	25,00,000.00	10.00	12,40,000.00	35.00	-	-
Granted during the year	-	-	-	-	-	-	5,00,000.00	10.00
Forfeited during the year	(50,000.00)	10.00	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Outstanding as at 31 March 2021	**60,000.00**	**10.00**	**25,00,000.00**	**10.00**	**12,40,000.00**	**35.00**	**5,00,000.00**	**-**
Vested as at 31 March 2021	**5,000.00**		**-**	**-**	**4,13,333**	**-**	**-**	**-**

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Black Scholes model, for options granted during the financial year:

	Year ended 31 March 2021
Risk-free interest rate	5.45% - 6.46%
Expected life of options (years) [(year to vesting) + (contractual option term)/2]	3.5 - 10.5 Years
Expected volatility (%)	36.00% - 40.16%
Dividend yield	0%

The risk free interest rates are determined based on the Government bond yields with maturity equal to the expected term of the option. Volatility calculation is based on historical stock prices of comparable listed companies using standard deviation of daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been considered taking into account the historical and expected rate of dividend on equity share price as on grant date.

The expense recognised for employee services received during the year is shown in the following table:

	Year ended 31 March, 2021	Year ended 31 March, 2020
Expense arising from equity-settled share based payment transactions	105.14	58.50
Expense arising from cash-settled share based payment transactions	-	-
Total expense arising from share based payment transactions	**105.14**	**58.50**

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Note 38: Retirement benefit plan

Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme 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 recognized Rs. 199.03 Lacs for year ended March 31, 2021 (Y.E. 31 March 2020 Rs. 172.43 Lacs) for Provident Fund contributions and Rs. 11.55 Lacs for the year ended March 31, 2021 (Y.E. March 31, 2020 Rs 9.21 Lacs) for Employee State Insurance Scheme contributions 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. Every employee who has completed five years of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. The scheme is funded with the insurance companies in the form of qualifying insurance policy.

During the year 2015-16 the Company created "Shriram Housing Finance Company Employees' Group Gratuity Fund". The Trust is recognised by income tax authorities and administered through Trustees. Contributions to the Trust are invested in a scheme with a insurance Company as permitted by law in India.

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(Rs in Lacs)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	71.27	51.36
Interest cost on benefit obligation	11.08	9.27
Expected return on plan assets	(8.23)	(10.07)
Net (benefit) / expense	**74.12**	**50.56**

* Gratuity expenses as per note 31 of the statement of Profit and Loss for the year ended March 31, 2021 is after providing for shortfall in Gratuity Fund account

Balance Sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

(Rs in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation	(211.52)	(159.72)
Fair value of plan assets	118.92	138.27
Asset/(liability) recognized in the balance sheet	**(92.60)**	**(21.45)**

*Gratuity Provision is in excess of Fair Value of Assets as on 31 March 2021 as disclosed under "Note 20 - Other Non Financial Assets" is after netting off amount paid to trust.

Changes in the present value of the defined benefit obligation are as follows:

(Rs in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening defined benefit obligation	**159.72**	**144.44**
Transfer in/Out	(2.40)	(3.86)
Interest cost	11.08	9.27
Current service cost	71.27	51.36
Liability transferred in/on account of transfer of employees	-	
Benefits paid	(25.04)	(32.00)
Actuarial loss / (gain) on obligation	(3.12)	(9.49)
Closing defined benefit obligation	**211.52**	**159.72**

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Changes in the fair value of plan assets are as follows:

(Rs in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening fair value of plan assets	**138.27**	**158.54**
Interest Income	8.23	10.07
Expected return	(2.54)	(2.12)
Contributions by employer & Others Exp	0.00	(0.27)
Adjustment / Transfer	-	4.05
Benefits paid	(25.04)	(32.00)
Closing fair value of plan assets	**118.92**	**138.27**

The Company intends to contribute to the trust the amount as per the actuarial valuation in the next year

The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.91%	6.79%
increase in compensation cost	5.00%	5.00%
Attrition rate	5.00%	5.00%

The estimates of future salary increases, considered in acturial valuation are on account of inflation, seniority, promotion and other relevent factor, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current period and previous four years are as follows:

(Rs in Lacs)

Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Define benefit obligation	(211.52)	(159.72)	(144.44)	(191.06)	(150.42)	(103.09)
Plan assets	118.92	138.27	158.54	180.03	150.42	-
Surplus/(deficit)	(92.60)	(21.45)	14.10	(11.03)	-	(103.09)

(Rs in Lacs)

Assumptions	As at 31 March 2021		As at 31 March 2021		As at 31 March 2020		As at 31 March 2020	
	Discount rate		Future salary increases		Discount rate		Future salary increases	
Sensitivity Level	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease
Impact on defined benefit obligation	402.79	446.61	447.88	401.40	303.81	337.71	338.68	302.75

(Rs in Lacs)

Expected payment for future years	As at 31 March 2021	As at 31 March 2020
Within the next 12 months (next annual reporting period)	6.60	5.27
Between 2 and 5 years	50.48	35.31
Between 5 and 10 years	93.12	72.82
Total expected payments	150.20	113.40

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 14.61 Years (31 March 2020: 14.91 Years)

The fund is administered by "Shriram Honsing Finance Company Employees Group Gratuity Trust". The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The principal assumptions used in determining leave encashment obligations for the Company's plans are shown below:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.91%	6.79%
Attrition rate	5.00%	5.00%
Salary escalation	5.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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Shriram Housing Finance Limited
Notes to financial statements for the year ended 31 March, 2021

Note 39: 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.

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	10,113.47	-	10,113.47	14,871.01	-	14,871.01
Bank Balance other than above	2,922.54	1,478.50	4,401.04	805.50	-	805.50
Loans	23,215.46	3,14,552.77	3,37,768.23	15,350.26	1,84,498.12	1,99,848.38
Investments	5,137.07	2,265.50	7,402.57	12,795.98	2,836.13	15,632.11
Receivables	-	-	-	0.65	-	0.65
Other financial assets	2,791.08	10,107.64	12,898.72	1,289.78	5,569.96	6,859.74
			-			-
Non-financial Assets			-			-
Non Current tax asset	-	418.95	418.95	-	2,066.84	2,066.84
Investment Property	-	0.28	0.28	-	0.28	0.28
Property, plant and equipment	-	403.77	403.77	-	549.22	549.22
Other intangible assets		438.98	438.98		575.51	575.51
Right of Use Assets		920.48	920.48	-	1,091.46	1,091.46
Other non financial assets	7,814.76	694.50	8,509.26	7,953.34	672.74	8,626.08
Total assets	**51,994.38**	**3,31,281.37**	**3,83,275.75**	**53,066.52**	**1,97,860.26**	**2,50,926.79**
Liabilities						
Financial Liabilities						
Trade payables	1,604.32	-	1,604.32	2,018.49	-	2,018.49
Debt Securities	27,193.14	30,696.68	57,889.82	10,151.04	28,346.24	38,497.28
Borrowings (other than debt security)	60,850.35	1,99,343.47	2,60,193.82	45,864.03	1,08,540.94	1,54,404.97
Other Financial liabilities	2,364.54	555.77	2,920.31	1,666.19	759.50	2,425.69
			-			-
Non-financial Liabilities			-			-
Provision	119.34	98.12	217.46	145.74	59.97	205.71
Deferred tax liabilities (net)	-	2,536.95	2,536.95		886.48	886.48
Other non-financial liabilities	266.02	-	266.02	186.89	-	186.89
Total Liabilities	**92,397.71**	**2,33,230.98**	**3,25,628.70**	**60,032.39**	**1,38,593.14**	**1,98,625.51**
Net	**(40,403.33)**	**98,050.38**	**57,647.05**	**(6,965.87)**	**59,267.13**	**52,301.27**

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

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Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 40 : Related party disclosures

Relationship	Name of the party
(i) Enterprises having significant influence over the Company / Associates	Valiant Mauritius Partners FDI Ltd. (VMPL) Shriram Fortune Solutions Limited (SFSL)* Shriram Financial Products Solutions (Chennai) Private Limited (SFPSPL)* Shriram General Insurance Company Limited (SGICL)* Shriram Insight Share Brokers Limited (SISBL)* Shriram Life Insurance Company Limited (SLICL)* Shriram Value Services Limited (SVSL)* Novac Technology Solutions Pvt. Ltd (NTSPL)* Shriram Ownership Trust (SOT) Shriram Capital Limited
(ii) Holding	Shriram City Union Finance Limited
(iii) Key Management Personnel	Mr.Subramanian Jambunathan, MD & CEO Mr.Gauri Shankar Agarwal - Chief Financial Officer Ms Bhavita Ashiyani - Company Secretary Mr. Venkataraman Murali - Director Ms Lakshminaryanan Priyadarshini - Director Mr Yalamati Srinivasa Chakravarti - Director Mr.Kunal Karnani, Chief Financial Officer - DOL 6.9.2019 Ms Nikita Hule , Company Secretary - DOL 27.07.2019
(iv) Relatives of Key Management Personnel	Nil

* The company neither holds any shares in the above entities nor these entities hold any shares in the company. However these entities are "subsidiaries" of Shriram Capital Limited and these entities are treated as "associates" as per para 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 year ended March 31, 2021.

PUSHI GUPTA & CO. CHARTERED ACCOUNTANTS

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Shriram Housing Finance Limited
Notes forming part of the financial statements for year ended March 31, 2021

Related party disclosures

Related party transactions during the year:

Rs. In Lacs

Particulars	Holding Company		Associates / Enterprises having significant influence over the		Key Management Personnel		Total	
	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020	As at Mar 31, 2021	As at Mar 31, 2020
Remuneration to Directors (Sitting Fees)								
Mr. V Murali					5.45	3.80	5.45	3.80
Ms Lakshminaryanan Priyadarshini					6.81	4.90	6.81	4.90
							-	-
Remuneration to other KMPs							-	-
Employee Benefits - Ms Nikita Hule					-	4.41	-	4.41
Emoloyee Benefits - Mr.Subramanian Jambunathan - Short Term Benefit					185.69	182.81	185.69	182.81
Employee Benefits - Mr.Subramanian Jambunathan - Share Based Payment					53.73	50.05	53.73	50.05
Emoloyee Benefits - Mr.Kunal Karnani					-	30.18	-	30.18
Emoloyee Benefits - Mr.Gauri Shankar Agarwal					96.17	39.90	96.17	39.90
Employee Benefits - Mr.Gauri Shankar Agarwal - Share Based Payment					6.63	1.14	6.63	1.14
Emoloyee Benefits - Ms Bhavita Ashiyani					11.56	5.51	11.56	5.51
Reimbursement of Rent & Expenses								
Rent - SCUF	44.06	56.51					44.06	56.51
Rent - SFSL			-	0.34			-	0.34
Rent - SFPS			-	0.47			-	0.47
Expenses reimbursements - SCUF	13.47	18.22					13.47	18.22
Expenses reimbursements - SFPS			-	0.07			-	0.07
Expenses reimbursements - SCL	-		1.48	-			1.48	-
Expenses reimbursements - SISBL			1.32	1.29			1.32	1.29
Expenses reimbursements - SLIC			23.90	15.67			23.90	15.67
Expenses reimbursements - SVS			-	46.89			-	46.89
Expenses reimbursements - NOVAC			373.60	712.67			373.60	712.67
Royalty Fees - SOT			-	105.39			-	105.39
Royalty Fees - SVS			461.16	252.16			461.16	252.16
Payment on assignment deal - SCUF	-	9,784.26					-	9,784.26
Other Payments								
Transfer of liability for Gratuity/Leave - SCUF	-	13.48					-	13.48
Security Deposit- SCUF	275.33						275.33	-
Other Receipts								
Transfer of liability for Gratuity/Leave - SCUF	-	13.59					-	13.59
							-	-
Rent Received							-	-
Rent - SCUF	68.38	327.06					68.38	327.06
Rent - SFSL			0.80	3.78			0.80	3.78
Electricity, telephone and printing charges Received								
Expenses reimbursement - SCUF	10.16	24.97					10.16	24.97
Expenses reimbursement - SLIC			2.27	2.39			2.27	2.39
Received on assignment deal - SCUF	2,550.74	1,137.74					2,550.74	1,137.74
Loans given and repayments								
Loan disbursement - Mr.Gauri Shankar Agarwal	-	-			130.00		130.00	-
Loan EMI received - Mr.Gauri Shankar Agarwal					8.45		8.45	-
Balance outstanding as at March 31,2021 :								
Share Capital - SCUF	16,544	16,544.00					16,544.00	16,544.00
Share Capital - VMPL			4,872.00	4,872.00			4,872.00	4,872.00
Expenses Payable to SCUF	21.20	24.88					21.20	24.88
Expenses Receivable from SCUF	46.69	47.32					46.69	47.32
Security Deposit - SCUF	-	275.33					-	275.33
Expenses Payable to SVS Royalty			119.45	92.10			119.45	92.10
Expenses Receivable from SFSL			-	0.87			-	0.87
Expenses Payable to SISBL			0.38	0.06			0.38	0.06
Expenses Payable to SVS			-	0.74			-	0.74
Expenses Payable to NOVAC			9.23	11.34			9.23	11.34
Loan Receivable from Mr.Gauri Shankar Agarwal	-	-	-	-	126.45		126.45	-

BRIJESH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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Notes to financial statements for the Year Ended 31 March 2021

Note 41: Contingent liabilities & commitments

(A) Contingent Liabilities

Rs in Lacs

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Income Tax	-	78.08
Bank guarantees / Mortgage Loan*	135.00	135.00

*Fixed Deposit is under lien for Bank Guarantee purpose to the extent for Rs 25 Lacs.

*Fixed Deposit is under lien with bank pending completion of formalities relating to a borrower to the extent of Rs. 110 Lacs.

(B) Commitments

Rs in Lacs

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Estimated amount of contract remaining to be executed on capital account	24.56	10.97
Undrawn Commitments	18,408.21	18,717.98

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Notes to financial statements for the Year Ended 31 March 2021

Note 42: 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.

(Rs. in Lacs)

Regulatory capital	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Common Equity Tier1 (CET1) capital	56,298.33	49,757.11
Other Tier 2 capital instruments	2,434.85	1,529.40
Total capital	58,733.19	51,286.51
Risk weighted assets	2,55,003.58	1,84,765.64
CET1 capital ratio	22.08	26.93
Total capital ratio	23.03	27.76

Regulatory capital consists of CET 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 other Tier 2 Capital , which includes provision for standard assets

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Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 43 :Fair Value Measurment - Financial assets and Liabilities

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet.

Financial Assets and Liabilities
The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2020 is as follows:

(Rs. in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2021 (Audited)	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	10,113.47	10,113.47		
Bank Balance other than above	4,401.04		4,401.04	
Receivables	-			-
Loans*	3,37,768.23			2,79,039.49
Other Financial assets	12,898.72			12,898.72
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	-	-		
Investments in Security Receipts	980.24		980.24	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	1,396.86		1,396.86	
Total	**3,67,558.56**	**10,113.47**	**6,778.14**	**2,91,938.21**
Financial Liabilities at amortised costs:				
Trade Payables	1,604.32			1,604.32
Debt Securities	57,889.82		53,920.73	
Borrowings	2,60,193.82		2,60,193.82	
Other Financial liabilities	2,920.31			2,920.31
Total	**3,22,608.26**	**-**	**3,14,114.55**	**4,524.63**
Off balance sheet items				
Other commitments	18,408.21			18,408.21
Total off-balance sheet items	**18,408.21**	**-**	**-**	**18,408.21**

*Fixed Rate Loans & Advances having carrying value of Rs 1,30,653.88 Lacs (Fair Value Rs 71,925.14 Lacs) on 31 March 2021 have been included above.

The carrying value of financial instruments by categories and valuation hierarchy as at March 31, 2020 is as follows:

(Rs. in Lacs)

Particulars	Carrying Amount	Fair Value		
	As at 31 March 2020 (Audited)	Level 1	Level 2	Level 3
Financial assets at amortised costs:				
Cash and cash equivalents	14,871.01	14,871.01		
Bank Balance other than above	805.50		805.50	
Receivables	0.65			0.65
Loans**	1,98,848.38			1,82,126.87
Other Financial assets	6,859.74			6,859.74
Financial assets at fair value through profit or loss:				
Investments in Mutual Funds	12,465.27	12,465.27		
Investments in Security Receipts	1,327.92		1,327.92	
Financial assets at fair value through OCI:				
Investments in Pass through Certificate	1,840.73		1,840.73	
Total	**2,37,019.20**	**27,336.28**	**3,974.15**	**1,88,987.26**
Financial Liabilities at amortised costs:				
Trade Payables	2,018.49			2,018.49
Debt Securities	38,497.28		34,303.77	
Borrowings	1,54,404.97		1,54,404.97	
Other Financial liabilities	2,425.69			2,425.69
Total	**1,97,346.43**	**-**	**1,88,708.74**	**4,444.18**
Off balance sheet items				
Other commitments	18,717.98			18,717.98
Total off-balance sheet items	**18,717.98**	**-**	**-**	**18,717.98**

*Fixed Rate Loans & Advances having carrying value of Rs 41,204.59 Lacs (Fair Value Rs 24,483.08 Lacs) on 31 March 2020 have been included above.

The instruments included in level 2 of fair value hierarchy have been measured based on their net asset value (NAV) as published in their period end statement

Fair Value Measurment - Non-Financial assets

Assets held for sale 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 held for sale has been categorized as a Level 2 fair value based on the inputs to the valuation techniques used. Refer note on Assets held on sale for details, Note no 15

(Rs. in Lacs)

Particulars	Fair Value Hierarcy - Level 2	
	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Non-Financial assets at fair value through profit or loss:		
Other non financial assets		
Assets held for Sale	7,116.63	7,290.55
Total	**7,116.63**	**7,290.55**

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Note 44: Accounting Policy

The Accounting policies adopted in the preparation and presentation of these financial statements are the same as those adopted in the preparation and presentation of the preceding annual financial statements for the year ended 31st March 2020

Note 45: Risk Management note

The Company is registered with the National Housing Bank (NHB), and is in the business of lending to individuals and non individual clients whether on secured or unsecured basis. The Company faces various risks in its gamut of operations. The Company has out in place a Risk Management Policy to ensure that the risks that the Company faces are identified and dealt / controlled in a manner that the Company can continue its operations in a profitable and sustainable manner.

Risk-taking is an inherent element of business and, indeed, profits are in part the reward for successful risk taking in business. On the other hand, excessive and poorly managed risk can lead to losses and thus endanger the safety of the Company. Accordingly, the Company places significant emphasis on the adequacy of management of risk. This document is set to outline the approach towards risk and the process of oversight and management of the risks.

The Risk Management policy has laid down the various guidelines for risk identification, measurement, monitoring and control at each risk level.

The Board would have the ultimate responsibility in relation to the oversight of the risk management process. The Board of the Company also draws support from the Audit & Risk management committee (ARMC) of the Board which provides oversight over the risk management process. The ARMC has put in place a risk management policy which is implemented in the Company.

Senior management would be responsible for implementing strategies in a manner that limits risks associated with each strategy and that ensures compliance with laws and regulations, risk policies and control limits, on both a long-term and day-to-day basis. Accordingly, management would be fully involved in the activities and possess sufficient knowledge of all major products to ensure that appropriate policies, controls, and risk monitoring systems are in place and that accountability and lines of authority are clearly delineated. Senior management would also responsible for establishing effective internal controls and high ethical standards.

The Company has ensured that adequate policies and procedures are in place for each of the key risks, further a detailed MIS and monitoring mechanism is in place. Further the Company has also put in place internal control mechanisms to review monitor and control risks.

Some of the key risks faced by the Company include –
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 and industry concentrations, and by monitoring exposures in relation to such limits.
Credit risk is monitored by the credit risk department of the Company's independent Risk Controlling Unit. 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 risk managers who are responsible for their business lines and manage specific portfolios and experts who support both the line credit risk 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 the Customer.

A detailed credit policy has been designed by the Company for each product type and customer segment.
Credit risk on loans and advances –
Credit risk is controlled by analysing the credit limits and credit worthiness of the customer on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. An impairment analysis is performed at each reporting date on a portfolio basis. The Company holds collateral as security against all the loans advanced. The Company obtains the possession of these collaterals in case of default by customer to meet its obligation. These assets are then sold in to recover the loan value.
The impairment of the credit risk on the loans is carried out through a detailed ECL model. The ECL model provides for the ECL on a 12 month ECL basis for standard to stage 1 assets whereas the same is calculated based on a lifetime ECL for stage 2 & 3 level assets. The ECL is calculated based on a
Probability of default (PD) X Exposure at Default (EAD) X (Loss given default X discount rate – (LGD)).

Company calculates the PD by taking into account the past historical trends of the portfolio and its credit performance based on a homogenous characteristic of the underlying portfolio. This is calculated based on a 12 month PD perspective. In case of impaired assets where lifetime PD is to be applied, the PD is extrapolated to take into account the probability of default over the lifetime of the asset.
The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

The Loss Given Default (LGD) is reviewed by the credit and collections teams every 3 months if not earlier. The credit risk assessment is based on a standardised LGD assessment framework that results in a certain LGD rate. These LGD rates take into account the expected EAD in comparison to the amount expected to be recovered or realised from any collateral held.
The Company segments its retail lending products into smaller homogeneous portfolios, based on key characteristics that are relevant to the estimation of future cash flows. The applied data is based on historically collected loss data and involves a wider set of transaction characteristics (e.g., product type, wider range of collateral types) as well as borrower characteristics.

The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12m ECL or LTECL, the Company assesses whether there has been an event which could cause a significantly impair the underlying asset or the customers ability to pay and accordingly increase the 12 month ECL to a LTECL.

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Note 45- Risk Management note (contd.)

Credit risk on Pass Through Certificates –

The Company carries out investments in Pass Through Certificates (PTC). The Company recognises the credit risk in the PTC by estimating the probability of default (PD). The investment is classified as a Stage 1 in case there is no change in the credit rating or a change of one notch in the credit rating. 12 month PD rates are applied for Stage 1 Investments. Further in case there is a higher notch down in credit rating, the investment is taken as at Stage 2 and life time PD is applied. Any investment which is non performing or in default or restructured is taken to be as at Stage 3.

PD is estimated based on various external information including information available through the CRISIL Default Study Reports among others. The Exposure at Default (EAD) is the carrying value of the investment as at the reporting date. The Loss Given Default (LGD) is calculated as per the RBI FIRB report which stipulates the LGD rates for secured or unsecured investments.

The Company continues to evaluate other external information and data on the Company and the underlying assets to evaluate any changes to the ECL methodology applied.

Credit risk on other financial assets –

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk –

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company also enters into securitization deals (direct assignment as well as pass through certificates) of their loan portfolio, the funding from which can be accessed to meet liquidity needs.The treasury department reporting into the CFO monitors the cash flows on a regular basis. Treasury department is divided into the resource mobilisation and the ALM team. The resource mobilisation team reviews the cash flows, business growth expected and accordingly works with the ALMT to ensure that adequate liquidity is available.

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 31 March 2021

Maturity pattern of assets and liabilities as on 31 March, 2021:

(Rs. 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	12,871.34	60.27	698.46	1,019.00	-	-	14,649.07
Loans at amortised cost	20,072.10	14,411.77	27,778.80	1,08,928.54	1,01,405.06	4,10,345.18	6,82,941.45
Financial investments at amortised cost	3,031.28	-	2,112.69	-	-	-	5,143.97
Financial investments at FVTPL	-	-	-	326.75	326.75	326.75	980.25
Financial investments at FVOCI	51.91	57.34	112.86	435.26	453.18	973.23	2,083.78
Other Financial Assets	692.99	951.20	1,172.18	3,806.05	2,665.37	3,616.99	12,904.78
Total undiscounted financial assets	**36,719.63**	**15,480.58**	**31,874.98**	**1,14,515.60**	**1,04,850.36**	**4,15,262.15**	**7,18,703.30**
Financial liabilities							
Deriavative Financial Instruments	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Debt securities	8,567.74	6,534.08	20,683.39	26,644.77	5,102.96	2,219.08	69,752.02
Borrowings (other than debt securities)	14,730.86	15,500.57	24,671.18	56,581.86	1,26,467.12	81,048.86	3,19,000.45
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	1,828.31	242.95	257.02	353.43	201.86	243.30	3,126.87
Total undiscounted financial liabilities	**25,126.91**	**22,277.60**	**45,611.59**	**83,580.06**	**1,31,771.94**	**83,511.24**	**3,91,879.34**
Net undiscounted financial assets/(liabilities)	**11,592.71**	**(6,797.02)**	**(13,736.60)**	**30,935.54**	**(26,921.58)**	**3,31,750.91**	**3,26,823.96**

Maturity pattern of assets and liabilities as on 31 March, 2020:

(Rs. 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	14,970.44	12.91	50.59	812.85	-	-	15,846.79
Loans at amortised cost	11,848.49	9,873.31	19,198.73	72,783.57	66,329.51	2,10,460.42	3,90,494.03
Financial investments at amortised cost	-	-	-	-	-	-	-
Financial investments at FVTPL	12,465.27	-	-	442.64	442.64	442.64	13,793.19
Financial investments at FVOCI	219.59	100.26	199.78	664.80	660.39	821.49	2,666.31
Other Financial Assets	361.60	335.48	629.88	2,367.13	1,475.08	1,941.15	7,110.33
Total undiscounted financial assets	**39,865.39**	**10,321.97**	**20,078.98**	**77,070.99**	**68,907.63**	**2,13,665.70**	**4,29,910.66**
Financial liabilities							
Deriavative Financial Instruments	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Debt securities	853.17	494.14	12,436.92	21,394.47	11,706.77	-	46,885.47
Borrowings (other than debt securities)	7,612.84	16,078.72	33,759.99	88,988.34	32,115.89	3,081.43	1,81,637.21
Subordinated Liabilities	-	-	-	-	-	-	-
Other Financial Liabilities	969.96	2,191.18	251.93	665.80	421.22	153.51	4,653.60
Total undiscounted financial liabilities	**9,435.97**	**18,764.04**	**46,448.84**	**1,11,048.61**	**44,243.88**	**3,234.94**	**2,33,176.28**
Net undiscounted financial assets/(liabilities)	**30,429.42**	**(8,442.08)**	**(26,369.86)**	**(33,977.62)**	**24,663.75**	**2,10,430.77**	**1,96,734.37**

Interest rate risk –

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately.

RAJESH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 46 : As certified by the Management, loans given by the company are secured by Equitable Mortgage/Registered Mortgage of the property & Assets Financed &/or assignment of Life Insurance policies &/or Personal Guarantees &/or undertaking to create a security and are considered secured & good.

Note 47 : Company has obtained guarantee on pool of Home Loan contracts with a Mortgage Guarantee extended by India Mortgage Guarantee Corporation Pvt. Ltd (IMGC). The guarantee from IMGC helps in mitigating credit losses.

Note 48 : No Funds raised through Preferential allotment of shares.

Note 49 : Value of Imports on CIF basis- NIL (Previous Year-NIL).

Note 50 : Foreign exchange earnings - NIL (Previous Year - NIL) and out go - NIL (Previous Year - NIL).

Note 51 : The Company does not have licensed capacity as it is a Housing Finance Company.

Note 52 : The figures of previous year have been rearranged/ regrouped to conform to the current year.

Note 53: Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by SHFL
The company has not lent to any Single Borrower exceeding 15% of its owned funds.
The company has not lent to any Single group of Borrowers exceeding 25% of its owned funds.

Note 54: The company has not made any unsecured advances during the current or previous year.

Note 55: The company has not been obtained registrations from any financial sector regulators.

Note 56: No penalties have been imposed by NHB and other regulators

Note 57: There are no such circumstances in which revenue recognition has been postponed pending the resolution of significant Uncertainties

Note 58: There has been no case of draw down of any specific reserves.

Note 59: Details of financing of parent company products

Note 60: Thre have no loans granted against collateral gold jewellery.

Note 61 :

Sl. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
(i)	The notional principal of swap agreements	NA	NA
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
(iii)	Collateral required by the SHFL upon entering into swaps		
(iv)	Concentration of credit risk arising from the swaps		
(v)	The fair value of the swap book		

(b) Exchange Traded Interest Rate (IR) Derivative

Sl. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrumentwise)	NA	NA
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March, 20121(instrument-wise)		
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)		

(c) Disclosures on Risk Exposure in Derivatives

Sl. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)	NA	NA
(ii)	Marked to Market Positions [1] (a) Assets (+) (b) Liability (-)		
(iii)	Credit Exposure [2]		
(iv)	Unhedged Exposures		

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 62: **Exposure to Capital Market**

Sl. No.	Particulars	As at 31 March, 2021	As at 31 March, 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.	-	-
(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	-	-
(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	-	-

Note 63: Overseas Assets

Sl. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
	NA	NA	NA

(o) Off-balance Sheet SPVs sponsored

Name of SPV sponsored	
Domestic	Overseas
NA	NA

Note 64: 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:

Sr No	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	-	-
	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	-	-

Note 64(a)
Exposure to group companies engaged in real estate business

		As at 31 March, 2021		As at 31 March, 2020	
S.No.	Description	Amount (Rs Lacs)	% of owned fund	Amount (Rs Lacs)	% of owned fund
(i)	Exposure to any single entity in a group engaged in real estate business	Nil	Nil	Nil	Nil
(ii)	Exposure to all entities in a group engaged in real estate business	Nil	Nil	Nil	Nil

Note 64(b)
Remuneration of Directors - Pecuniary relationship of Non Executive Diretors

Remuneration paid to directors is reflected in Note 40 "Related Party Transaction". There is no pecuniary relationship or transactions of the non-executive directors with the company or its Directors, senior management or group companies.

Note 64(c)
Prior period items and changes in accounting policies.

		As at 31 March, 2021	As at 31 March, 2020
		Amount (Rs Lacs)	Amount (Rs Lacs)
ii)	Prior period items	NA	NA
iii)	Changes in accounting policies.	Refer Notes 1,2 & 3	Refer Notes 1,2 & 3

PILUGE & GUPTA CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Note 65.Transfer to reserve fund:

As per Section 29C of the National Housing Bank Act, 1987, the Company is required to transfer at least 20% of net profits every year to Reserve Fund. The Company has transferred an amount of Rs. 1254 Lacs (Previous Year Rs. 932.80 Lacs).

(Rs. in Lacs)

Particulars as at	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Balance at the beginning of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	1,522.08	654.87
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	2,209.41	2,143.82
c) Total	3,731.49	2,798.69
Addition / Appropriation / Withdrawal during the year		
Add: a) Amount transferred uls 29C of the NHB Act, 1987	1,048.85	867.21
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under section 29C of the NHB Act 1987.	205.15	65.59
Less: a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b) Amount withdrawn from the Special Reserve ul s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	2,570.93	1,522.08
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	2,414.56	2,209.41
c) Total	**4,985.49**	**3,731.49**

Capital to Risk Ratio (CRAR)

Items	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
1.CRAR(%)	23.03%	27.76%
2.CRAR(%)Tier I capital	22.08%	26.93%
3.CRAR(%)Tier II capital	0.95%	0.83%
4.Amount of subordinated debt raised as Tier- II Capital	-	-
5.Amount raised by issue of Perpetual Debt Instruments	-	-

Exposure to Real Estate Sector

a) Direct exposure

i) Residential mortgages

Lending fully secured by mortgage on Residential property that is or will be occupied by the borrower or that is rented

(Rs. in Lacs)

Category	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
(i) Housing Loan to individuals upto Rs. 15 lacs	42,031.47	21,363.96
(ii) Housing Loan to individuals more than Rs. 15 lacs	1,54,186.71	67,164.18
(iii) Non Housing Loan against residential property	1,05,839.24	85,464.55

(ii) Commercial Real Estate

(Rs. in Lacs)

Category	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Lending secured by mortgages on commercial real - estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc)	36,710.82	25,855.68

iii) Investment in mortgage backed securities (MBS) and other securitized exposures

(Rs. in Lacs)

Category	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
a) Residential	14.15	76.57
b) Commercial Real Estate	-	-

b) Indirect exposure

Fund based and non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs) – NIL (previous year- NIL)

PUSHUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 66:Investments

(Rs. in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Value of Investments		
(i) Gross value of Investments		
(a) In India	7,404.60	15,633.92
(b) Outside India	-	-
(ii) Provisions for Depreciation *		
(a) In India	(2.03)	(1.81)
(b) Outside India	-	-
(iii) Net value of Investments		
(a) In India	7,402.57	15,632.11
(b) Outside India	-	-
Movement of provisions held towards		
depreciation on investments*		
(i) Opening balance	1.81	4.74
(ii) Add: Provisions made during the year*	-	-
(iii) Less: Write-off / Written-back of	0.22	(2.93)
excess provisions during the year*		
(iv) Closing balance	**2.03**	**1.81**

*Amount shown is as per expected credit loss(ECL) on investment in PTC as per Ind AS

Asset Liability Management:
Maturity pattern of certain items of Assets and Liaibilites

(Rs. in Lacs)

Period	Liaibilites		Assets	
	Borrowings from Banks*	Market Borrowings	Advances	Investment
1 day to 7 days(one month)	191.56	(3.79)	6,622.58	-
8 days to 14 days(one month)	96.05	(3.79)	(2.66)	-
15 days to 30 days(one month)	2,785.12	556.33	220.13	10.52
Over one month to 2 months	742.62	2,660.48	1,619.65	3,022.50
Over 2 months upto 3 months	5,091.00	268.07	1,704.91	9.38
Over 3 months to 6 months	19,064.12	5,642.52	4,560.62	27.00
Over 6 months to 1 year	32,879.88	18,073.33	8,490.23	2,067.67
Over 1 year to 3 years	1,17,913.89	22,928.74	37,505.21	552.47
Over 3 to 5 years	66,810.08	3,985.41	40,190.61	615.65
Over 5 to 7 years	4,083.00	-	43,458.58	651.86
Over 7 to 10 years	7,227.96	3,782.53	67,284.15	256.81
Over 10 Years	3,308.54	-	1,26,114.22	188.71
Total	**2,60,193.82**	**57,889.82**	**3,37,768.23**	**7,402.57**

*Includes Borrowings from National Housing Bank and Life Insurance Corporation of India.

Details of non- performing financial assets sold :

(Rs. in Lacs)

Sl. No.	Particulars	Year Ended 31 March 2021 (Audited)	Year Ended 31 March 2020 (Audited)
1	No. of accounts sold	-	-
2	Aggregate outstanding (Rs. in Lacs)	-	-
3	Aggregate consideration received (Rs. in Lacs)	-	-

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED

Shriram Housing Finance Limited
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Note 67: Provisions & Contingencies

(Rs. in Lacs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
1. Provisions for depreciation on Investment**	(30.46)	(2.94)
2. Provision made towards Income tax	935.98	1,422.52
3. Provision towards NPA*	347.71	(56.64)
4. Provision for Standard Assets*	905.45	42.93
5. Provision for Covid-19 impact	-	1,000.00
6. Provision for Assignment Receivables	185.53	184.83
7. 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

(Rs. in Lacs)

Break up of Loan & Advances and Provisions thereon	Housing		Non-Housing	
	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Standard Assets				
a) Total Outstanding Amount	2,15,039.98	1,00,956.77	1,21,147.58	96,595.94
b) Provisions made*	1,533.29	784.58	901.56	744.83
Sub-Standard Assets				
a) Total Outstanding Amount	1,239.01	1,221.57	1,781.79	1,241.37
b) Provisions made*	274.50	303.57	429.13	273.47
Doubtful Assets – Category-I				
a) Total Outstanding Amount	627.41	144.94	888.10	629.85
b) Provisions made*	142.50	36.44	189.79	128.13
Doubtful Assets – Category-II				
a) Total Outstanding Amount	234.43	348.75	1,635.95	1,185.54
b) Provisions made*	54.40	77.26	312.94	218.83
Doubtful Assets – Category-III				
a) Total Outstanding Amount	14.14	81.73	1.35	30.27
b) Provisions made*	3.10	16.57	0.30	4.67
Loss Assets				
a) Total Outstanding Amount	-	-	-	-
b) Provisions made*	-	-	-	-
TOTAL				
a) Total Outstanding Amount	**2,17,154.97**	**1,02,753.75**	**1,25,454.77**	**99,682.97**
b) Provisions made*	**2,007.79**	**1,218.43**	**1,833.72**	**1,369.93**

*Amount shown under "provisions made" is expected credit loss(ECL) on loans as per IND AS
Apart from above, additional ECL of Rs. 1,000 Lacs is made on loans on account of Covid-19 pandemic

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 68: Concentration of Public Deposits, Advances, Exposures and NPAs

(i) Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

(Rs. in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Total Deposits of twenty largest depositors	N.A.	N.A.
Percentage of Deposits of twenty largest depositors to Total Deposits of the HFC		

(ii) Concentration of Loans & Advances

(Rs. in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
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%

(iii) Concentration of all Exposure (including off-balance sheet exposure)

(Rs. in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
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%

(iv) Concentration of NPAs

(Rs. in Lacs)

Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
Total Exposure to top ten NPA accounts	1,556.24	1,242.58

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

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(v) Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that
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)	

(vi) Movement of NPAs

(Rs. in Lacs)

Sl. No.	Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
(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	2,305.63	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	1,058.94	1,115.58
	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	**1,406.67**	**1,058.94**

PRUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 69 : Rating Assigned by Credit rating agencies and migration of ratings during the year

Rating Agency	Rating Instrument	Rating Assigned as on 31st March 2021	Rating Assigned as on 31st March 2020
India Rating & Research Pvt Ltd	Long-Term (NCDs)	IND AA	IND AA
	Bank Loan Ratings	IND AA	IND AA
Credit Analysis & Research Limited	Long-Term (NCDs)	CARE AA	CARE AA+
	Short-Term (CP)	CARE A1+	CARE A1+
	Long-Term Bank Loan Ratings	CARE AA	CARE AA+
	Subordinate Debts	CARE AA	CARE AA+
CRISIL	Bank Loan Ratings	CRISIL AA	CRISIL AA
	Long-Term (NCDs)	CRISIL AA	CRISIL AA

Note: There is a migration in Credit Analysis & Research Limited ratings during the year.

Note 70:
Disclosure of Complaints

Customers Complaints

Sl. No.	Particulars	Year Ended 31 March 2021 (Audited)	Year Ended 31 March 2020 (Audited)
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	82	271
c)	No. of complaints redressed during the year	82	271
d)	No. of complaints pending at the end of the year	-	-

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

71.1 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

(Rs. 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)

71.2 No financial assets are sold to Securitisation/Reconstruction company for asset reconstruction as on March 31, 2021 and March 31, 2020.

71.3 Details of Assignment transactions undertaken by the Company

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No.of accounts	2,600.00	3,257.00
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	-	-

71.4 The Company has not purchased/sold non-performing assets for the year ended March 31, 2021 and March 31, 2020

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

72. 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

(Rs. in lacs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Securitisations		
Carrying amount of transferred assets measured at amortised cost(Held as collateral)	7,161.27	3,972.15
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 liabilties	7,412.99	4,019.31
Net position at FV	(251.73)	(47.16)

72.1. Disclosure Relating to Securitisation

The information on securitisation of the Company as an originator in respect of securitisation transaction done during the year is given below

(Rs. in lacs)

Particulars	As at March 31, 2021	As at 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

72.2 Disclosure Relating to Securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitized assets is given below:

(Rs. 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 the company		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	1,298.50	647.50
		Others	-	-
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	-	-

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED

Shriram Housing Finance Limited
Notes forming part of the financial statements for the year ended March 31, 2021

Note 74 The Company has 82 branches as at March 31, 2021. The list of branches is attached.

SHRIRAM HOUSING FINANCE LTD.		
LIST OF BRANCHES		
SR. No	State	Name of Branch
1	Delhi	Delhi
2	Andhra Pradesh	Vijayawada
3	Andhra Pradesh	Visakhapatnam
4	Madhya Pradesh	Indore
5	Rajasthan	Jodhpur
6	Andhra Pradesh	Kurnool
7	Maharashtra	Nagpur
8	Madhya Pradesh	Bhopal
9	Rajasthan	Jaipur
10	Punjab	Ludhiana
11	Maharashtra	Aurangabad
12	Maharashtra	Nasik
13	Telengana	Karimnagar
14	Telengana	Hyderabad
15	Gujarat	Surat
16	Maharashtra	Kolhapur
17	Gujarat	Rajkot
18	Telengana	Warangal
19	Maharashtra	Pune
20	Tamil Nadu	Chennai
21	Andhra Pradesh	Nellore
22	Maharashtra	Amaravati
23	Andhra Pradesh	Rajahmundry
24	Gujarat	Vadodara
25	Andhra Pradesh	Guntur
26	West Bengal	Kolkata
27	Chattisgarh	Raipur
28	Tamil Nadu	Thiruchirapalli
29	Andhra Pradesh	Thirupathi
30	Maharashtra	Mumbai
31	Karnataka	Bengaluru
32	Uttar Pradesh	Lucknow
33	Punjab	Mohali (Chandigarh)
34	Gujarat	Mehsana
35	Uttar Pradesh	Meerut
36	Uttar Pradesh	Agra
37	Rajasthan	Alwar
38	Rajasthan	Kota
39	Kerala	Ernakulam
40	Karnataka	Mysore
41	Gujarat	Palanpur
42	Rajasthan	Ajmer
43	Karnataka	Banashankari
44	Pondicherry/ Puducherry	Pondicehrry/ Puducherry
45	Tamil Nadu	Coimbatore
46	Tamil Nadu	Madurai
47	Tamil Nadu	Tirunelveli
48	Uttarakhand	Dehradun
49	Rajasthan	Udaipur
50	Gujarat	Bhavnagar
51	Madhya Pradesh	Ujjain
52	Tamil Nadu	Hossur
53	Gujarat	Bharuch
54	Maharashtra	Ahmednagar
55	Maharashtra	Solapur
56	Rajasthan	Bikaner
57	West Bengal	Siliguri
58	Karnataka	Hubli
59	Telengana	Secunderabad
60	Tamil Nadu	Vellore
61	Tamil Nadu	Salem
62	Kerala	Thrissur
63	Karnataka	Davangere
64	Gujarat	Ahmedabad
65	Rajasthan	Sikar
66	Madhya Pradesh	Mandsaur
67	Gujarat	Ahmedabad-Mani Nagar
68	Gujarat	Veraval
69	Gujarat	Jamnagar
70	Gujarat	Jetpur
71	Gujarat	Morbi
72	Gujarat	Vapi
73	Chattisgarh	Bilaspur
74	Maharashtra	Pimpri
75	Rajasthan	Bhiwadi
76	Karnataka	Indira Nagar, Bengaluru
77	Madhya Pradesh	Gwalior
78	Karnataka	Tumkur
79	Maharashtra	Thane
80	Karnataka	Belgavi
81	Karnataka	Mangalore
82	Karnataka	Shimoga

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 75

Disclosure on Liquidity Risk for the twelve months ended March 31, 2021 pursuant to RBI circular dated 4 November 2019 on Liquidity Risk Management Framework

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No	Number of Significant	Amount (Rs. In crores)*	% of Total deposits	% of Total liabilities
1	21	2,947.64	NA	92.67

*Includes securitisation liabilities exposure

(ii) Top 20 large deposits (amount in Rs. in crore and % of total deposits)

Particulars	As at March 31, 2021
Total amount of top 20 large deposits	NA
Percentage of amount of top 20 large deposits to total deposits	NA

(iii) Top 10 borrowings (amount in Rs. in crore and % of total borrowings)

Particulars	As at March 31, 2021
Total amount of top 10 borrowings * (Rs.in Crs.)	2,369.22
Percentage of amount of top 10 borrowings to total borrowings	74.48

*Includes securitisation liabilities exposure

(iv) Funding Concentration based on significant instrument/product

Sr. No	Name of the instrument/product	Amount (Rs. in crores)	% of Total Liabilities
1	Public Issue of Redeemable non-convertible debentures	NA	NA
2	Privately placed Redeemable non-convertible debentures	578.9	18.2
3	Term loan from banks	2,233.09	70.2
4	Term loan from financial institutions/corporates	234.87	7.38
5	Loans repayable on demand from banks (Cash credit from banks & Working capital demand Loan)	59.85	1.88
6	Other loans - Securitisation liabilities	74.13	2.33
7	Public deposits	NA	NA

(v) Stock Ratios:

	Particulars	as a % of Total public funds	as a % of Total liabilities	as a % of Total assets
1	Commercial papers	-	-	-
2	Non-convertible debentures (original maturity of less than one year)	-	-	-
3	Other short-term liabilities	NA	1.88	1.56

PJOSHI & GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

(vi) Institutional set-up for liquidity risk management

1	The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.
2	The Board has constituted the Audit and Risk Management Committee (ARMC) which is responsible for monitoring the overall risk process within the Company.
3	The (ARMC) is responsible for managing risk decisions and monitoring risk levels. The meetings of ARMC are held at quarterly interval.
4	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.
5	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.
6	The Board of Directors also approves constitution of Asset Liability Committee (ALCO), Asset Liability Management 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 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 is a decision-making unit responsible for 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 ALCO will be responsible for ensuring the adherence to the target set by the Board of Directors. 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.
7	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 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.
8	The minutes of ALCO meetings are placed before the ARMC and the Board of Directors in its next meeting for its ratification.
9	The liquidity was Rs. 301.11 crores including sanction lines.

*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	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.
4	The amount stated in this disclosure is based on the audited financial statements for the year ended March 31, 2021.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

Shriram Housing Finance Limited
Notes to financial statements for the Year Ended 31 March 2021

Note 76

Changes in liabilities arising from financing activities during FY 2020-21

Particulars	As at March 31, 2020	Cash Flows	Exchange difference	Other *	As at March 31, 2021
At Amortised Cost					
Debt Securities					
-NCD Public Issue					
-NCD Retail	38,497.28	18,800.00		592.53	57,889.82
-NCD Institutional					
Subordinated Liabilities					
- Sub Debt Retail					
- Subdebt Institutional					
Borrowings other than debt securities					
- Term Loan from Banks	1,22,570.12	1,01,691.61		(952.82)	2,23,308.91
- Term Loan from Institution	13,480.37	10,207.57		(201.09)	23,486.85
- Commercial paper	-				-
- Cash Credit form Banks	5,001.69	(3,999.91)		(15.85)	985.94
- Working Capital Demand Loans	3,499.65	1,500.00		(0.52)	4,999.13
- Term Loan from Bank- Securitisation	4,019.31	3,410.82		(17.14)	7,412.99
- Term Loan from financial Institution/ NBFC- Securitisation					
Deposits					
-Public Deposits					
Total	**1,87,068.43**	**1,31,610.09**	**-**	**(594.88)**	**3,18,083.64**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

Changes in liabilities arising from financing activities during FY 2019-20

Rs. 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					
-NCD Retail	58,014.79	(19,214.34)	-	(303.16)	38,497.28
-NCD Institutional					
Subordinated Liabilities					
- Sub Debt Retail					
- Subdebt Institutional					
Borrowings other than debt securities					
- Term Loan from Banks	90,472.34	32,405.52	-	(307.74)	1,22,570.12
- Term Loan from Institution	819.85	12,660.52	-		13,480.37
- Commercial paper	4,958.47	(4,958.47)	-		-
- Cash Credit form Banks	8,783.91	(3,767.70)	-	(14.52)	5,001.69
- Working Capital Demand Loans		3,500.00	-	(0.35)	3,499.65
- Term Loan from financial Institution/ NBFC- Securitisation		4,019.31	-		4,019.31
Deposits					
-Public Deposits					
Total	**1,63,049.36**	**24,644.84**	**-**	**(625.78)**	**1,87,068.42**

* Represents non cash adjustments on account of amortisation of processing fees and other transaction costs

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 77:

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

Rs. in lacs

SMA category	As at March 31, 2021	As at March 31, 2020
SMA 0	84,445.66	24,266.23
SMA 1	5,886.45	10,141.53
SMA 2	5,473.97	3,039.33
Total	**95,806.08**	**37,447.10**

ii Respective amount where asset classification benefit is extended : Rs. Nil (March 31, 2020 : Rs. 12,561.13 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 Rs. 139.91 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

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. Further, period for which moratorium is granted has 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 continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of the moratorium period does not result in accounts becoming past due and automatically triggering stage 2 or stage 3 classification criteria. As at March 31,2021, additional ECL provision on loan assets as management overlay on account of COVID-19 stood at Rs. 1,000.00 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.

PIJUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED INDIA

SHRIRAM HOUSING FINANCE LIMITED
Notes to financial statements for the Year Ended 31 March 2021

Note 78:

Disclosure to be made as per RBI circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on Resolution Framework for COVID-19-related Stress

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020. Based on resolution framework, the company has provided resolution plan for 159 accounts having an aggregate exposure of Rs. 5,819.29 Lacs.

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	97	3,639.90	-	-	-
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	62	2,179.39			-
Total	159	5,819.29	-	-	-

Note : Additional IRAC provision in accordance with RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 has been made for the accounts where resolution plan has been implemented and Expected Credit Loss provided is more than the IRAC provisions.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

SHRIRAM HOUSING FINANCE LIMITED MUMBAI

79 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.

80 The Company had credited an ex-gratia amount of Rs. 342.83 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 has already filed a claim with the State Bank of India for reimbursement of the said ex-gratia amount as specified in the notification.

81 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 as referred to in Note 80 above) during the moratorium period .i.e. March 1, 2020 to August 31, 2020. The Company estimated the said amount and has credited the same to the accounts of borrowers.

PIYUSH GUPTA & CO. CHARTERED ACCOUNTANTS

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE VI: ILLUSTRATION OF CASH FLOWS

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ILLUSTRATION OF CASH FLOWS

Illustration of Cash Flows	
Issuer	Shriram Housing Finance Limited
Face Value (per Debenture)	INR 1,00,000 (Indian Rupees One Lakh)
Issue Date / Date of Allotment	As set out in the relevant Tranche Placement Memorandum
Redemption Date / Maturity Date	As set out in the relevant Tranche Placement Memorandum
Interest Rate	As set out in the relevant Tranche Placement Memorandum
Frequency of the Interest payment with specified dates	As set out in the relevant Tranche Placement Memorandum
Day Count Convention	Actual/Actual

Cash Flows For One Debenture With A Face Value of INR 1,00,000*

Cash Flows	Original	Revised	No. Of Days in Coupon Period	Amount in Rupees per Debenture of INR 1,00,000 (Rupees One Lakh only)
As set out in the relevant Tranche Placement Memorandum				

**Note : Principal repayment for redemption of Debentures is subject to NHB Approval.*

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE VII: DUE DILIGENCE CERTIFICATE

BEACON
TRUSTEESHIP

DUE DILIGENCE CERTIFICATE – ANNEXURE A

(Pursuant to Regulation 44(3)(b) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2022)

Ref. No.: BTL/OPR/23-24/32647

Date: May 15, 2023

To,
BSE Limited
25th Floor, P. J. Towers,
Dalal Street,
Mumbai -400001

Dear Sir /Madam,

SUB: ISSUE OF LISTED RATED UNSECURED SUBORDINATED TIER II REDEEMABLE NON-CONVERTIBLE DEBENTURES IN THE NATURE OF TIER II OF FACE VALUE OF RS. 1,00,000 EACH AGGREGATING TO RS.230,00,00,000 CRORES (SHELF LIMIT) IN ONE OR MORE TRANCHES BY SHRIRAM HOUSING FINANCE LIMITED

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

WE CONFIRM that:

a) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

b) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), in the offer document.

c) Issuer has given an undertaking that debenture trust deed shall be executed before filing of listing application.

For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Jaydeep Bhattacharya
Executive Director

Place: Mumbai

T0953

ANNEXURE VIII: TERMS AND CONDITIONS OF MASTER DEBENTURE TRUSTEE AGREEMENT

Attached separately.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IX: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

EXPERIENCE THE NEW

DCS/COMP/AA/IP-PPDI/054/23-24

May 15, 2023

SHRIRAM HOUSING FINANCE LIMITED
Level 3, Wockhardt Towers, East Wing,
Bandra Kurla Complex, Bandra
(East), Mumbai – 400 051

Dear Sir/Madam

Re: Private Placement of Listed, Rated, Unsecured, Subordinated, Tier II, Redeemable, Non-Convertible Debentures denominated in INR in the nature of Tier II capital of each having a face value of Rs.1,00,000/- ("Debentures" or "NCDs") under multiple Series (Each a "Series"), aggregating up to Rs.230 Crore ("Shelf Limit") ("Issue").

We acknowledge receipt of your application on the online portal on May 11, 2023 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant In-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

A-P

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2022/00144 dated October 28, 2022.

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18 and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal

Rupal Khandelwal
Deputy General Manager

Raghavendra Bhat
Associate Manager

A.P.

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE X: BOARD RESOLUTION AND COMMITTEE RESOLUTION

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BANKING AND FINANCE COMMITTEE OF SHRIRAM HOUSING FINANCE COMPANY ON MONDAY, MAY 8, 2023 AT 10.30 A.M. AT BOARD ROOM, LEVEL 1, EAST WING, WOCKHARDT TOWERS, BANDRA KURLA COMPLEX, MUMBAI - 400 051.

COMMENCEMENT: 05.00 P.M. **CONCLUSION: 06.00 P.M.**

APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

"**RESOLVED THAT** pursuant to the resolutions dated April 25, 2022 of the board of directors of the Company, and the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Companies Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI circular bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" and Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, each as amended, modified or restated from time to time, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed, and subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, and subject to any approvals, consents, permissions and sanctions as may be required from any regulatory authority and the approval of the shareholders of the Company as may be required in accordance with the Companies Act, the approval of the Committee be and is hereby accorded for:

(a) Shelf placement memorandum in respect of Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital denominated in Indian Rupees ("**INR**"), each having a face value in accordance with applicable law , having the for issuance of such debentures in one or more tranches, for an aggregate shelf amount of up to INR 300,00,00,000 (Indian Rupees Three Hundred Crore) ("Shelf Placement Memorandum") and such issue the "Shelf Issue";

(b) issue, offer and allotment of Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital denominated in Indian Rupees ("**INR**"), each having a face value in accordance with applicable law , having the base issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) and the green shoe option to retain oversubscription of INR 50,00,00,000 (Indian Rupees Fifty Crore) for an aggregate amount of INR 100,00,00,000 (Indian Rupees One Hundred Crore) or such other number or amount as may be determined by the Company ("**Debentures**") at a coupon/interest rate (including step up / step down interest

rate) prescribed in the Transaction Documents, payable at maturity or at such interest periods as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such tenure/maturity as may be determined, at par, on a private placement basis to such persons as may be identified for the purposes of Section 42 of the Companies Act ("**Investor(s)**") for (i) to augment long term resources of the Issuer; and (ii) general business purpose including financing the growth of the portfolio of the Issuer, as is permitted by Reserve Bank of India and National Housing Bank.

RESOLVED FURTHER THAT Mr. Subramanian Jambunathan, Managing Director & CEO, Mr. Gauri Shankar Agarwal, Chief Financial Officer, Mr. Christopher Robin, Senior Vice President, Mr. Srinivasa Rao Bhrugumalla, Mr. Karthik Raghunath, Senior Manager and Mrs. Puja Shah, Company Secretary be and are hereby severally authorized (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue, being:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities and any other person (including any lenders of the Company), and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures and the Shelf Issue;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the Debentures and all other related matters;

(d) seeking the (i) in principle approval of the Stock Exchange for the Shelf Placement Memorandum, (ii) listing of any of the Debentures on any Stock Exchange, (iii) submitting the listing application and (iv) taking all actions that may be necessary in connection with obtaining such in-principle approval and listing;

(e) approving the Debt Disclosure Documents (as defined below) (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(f) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including their successors and their agents;

(g) finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue;

(h) entering into arrangements with the depositories in connection with issue of Debentures in dematerialised form;

(i) finalising the date of allocation and the deemed date of allotment of the Debentures;

(j) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and deal with regulatory authorities in connection with the issue, offer and allotment of the Debentures and the Shelf Issue including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;

(k) to execute all documents with, file forms, with and submit applications to any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository;

(l) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents and the Shelf Issue;

(m) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents and the Shelf Issue, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the shelf placement memorandum, tranche placement memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures (collectively, the "**Debt Disclosure Documents**");

(ii) the debenture certificate(s) for the Debentures (if required);

(iii) the master debenture trust deed, the supplement to the debenture trust deed, the master debenture trustee agreement, the supplement to the master debenture trustee agreement, and any other documents in relation thereto (together with the Debt Disclosure Documents, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the Shelf Issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee/holders of the Debentures;

(n) do all acts necessary for the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue in accordance with the terms set out in the Transaction Documents; and

(o) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the Shelf Issue, and to give such directions as it deems

fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps to sign and submit the necessary forms in relation to the issue, offer and allotment of the Debentures and the Shelf Issue with any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company (including in respect of execution of any documents) till date for the purpose of the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to finalisation of the terms of, and completing all applicable requirements for, the issue, offer and allotment of the Debentures and the Shelf Issue, the in-principle application for the Shelf Issue, and the listing of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorised to open any bank accounts with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures and the Shelf Issue and that the Authorised Persons be and are hereby severally authorised to sign and execute the application form and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures and the Shelf Issue, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and Disclosure Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the

powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary.

CERTIFIED TRUE COPY

FOR SHRIRAM HOUSING FINANCE LIMITED

PUJA KIRIT SHAH

Digitally signed by PUJA KIRIT SHAH
Date: 2023.05.15 10:20:25 +05'30'

Puja Shah
Company Secretary and Compliance Officer

Date: May 15, 2023
Place: Mumbai

SHRIRAM HOUSING FINANCE

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shriramhousing.in

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SHRIRAM HOUSING FINANCE LIMITED HELD ON MONDAY, APRIL 25, 2022 AT 6.30 P.M. AT VIVANTA DAL VIEW, SRINAGAR 191121.

TO APPROVE ISSUANCE OF NCDS ON PRIVATE PLACEMENT BASIS UNDER PROVISIONS OF COMPANIES ACT, 2013

"RESOLVED THAT pursuant to Sections 42, 71 and any other applicable provisions of the Companies Act, 2013, as amended from time to time ("Act") read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, ("SEBI Debt Regulations") as amended from time to time, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as amended from time to time and the circulars and clarifications issued by National Housing Bank ("NHB") from time to time, and such other laws and regulations, and subject to the approval of the Members of the Company in the ensuing Annual General Meeting, the Board of Directors of the Company (hereinafter called "Board", which term shall be deemed 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 its power including the power conferred by this resolution), be and is hereby authorized to make offer(s), invitation(s) to invite, offer, issue, allot, secured or unsecured Redeemable Non-Convertible Debentures ("NCDs"), Subordinated Debts, Bonds, Commercial Papers or any other Debt Securities on a private placement basis, within the overall borrowing limits of the Company for on lending purposes and in its the ordinary course of its business, in one or more tranches during the period commencing from the date of the ensuing Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company to the Qualified Institutional Buyers ("QIBs"), Foreign Institutional Investors ("FII"), Foreign Portfolio Investors ("FPIs"), Banks, Financial Institutions ("FIs"), Mutual Funds ("MFs"), Provident Funds, Gratuity Funds, Corporates and such other entities / persons eligible to apply / subscribe the securities on such terms and conditions as may be decided by the Board, from time to time, determine and consider proper and most beneficial to the Company including and without limitation the time of issue, consideration for the issue, mode of payment, rate of interest, tenure and security cover thereof, utilisation of the proceeds of the issue.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized and delegate further to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary in relation thereto."

Certified to be True
For **Shriram Housing Finance Limited**

Puja Shah
Company Secretary and Compliance Officer

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Place: Mumbai
Date: July 14, 2022

SHRIRAM HOUSING FINANCE

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SHRIRAM HOUSING FINANCE LIMITED HELD ON MONDAY, APRIL 25, 2022 AT 6.30 P.M. AT VIVANTA DAL VIEW, SRINAGAR 191121.

APPROVAL FOR INCREASE IN THE BORROWING LIMITS AND AUTHORIZE LIMIT TO SECURE THE BORROWINGS UNDER SECTION 180(1)(C) AND 180(1)(A) OF THE COMPANIES ACT, 2013

"RESOLVED THAT pursuant to Sections 42, 62, 71 and 180 (1) (c) 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 & Exchange Board of India, National Housing Bank and any other applicable regulations, if any, subject to the approval of the shareholders of the Company, the approval of 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 its power including the power conferred by this resolution) be and is hereby accorded to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency (i) by way of availing of long/short term loans and all kinds of financial assistance by all permissible methods, secured/ unsecured from banking companies, financial institutions, bodies corporate or any person(s), (ii) by way of issue of commercial papers, rupee denominated bonds/senior notes to eligible person(s), lenders, investor(s) (iii) by way of issue of redeemable nonconvertible debentures, subordinated debentures, bonds or any other security or instrument(s) on private placement basis as well as by way of public issue by issue of shelf-disclosure documents, prospectus, shelf prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, Foreign Institutional Investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, or (iv) by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, 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 of the Company and its free reserves, provided that the total amount borrowed

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and outstanding at any point of time shall not exceed INR 11,000 Crores (Rupees Eleven Thousand Crore only);

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company and/or any Committee, to give effect to the resolution;

RESOLVED FURTHER THAT in supersession of the Special resolution passed at the Annual General Meeting of the Company held on July 12, 2018 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorised by the Board of Directors, for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors or such Committee may deem fit, the immovable and movable properties, receivables of the Company, wherever situate, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial/ investment institution(s), bank(s), insurance Company(ies), mutual fund(s), corporate body(ies), trustee(s), agent(s) to secure the debentures, senior notes, bonds, loans, hire purchase and/or lease portfolio management transaction(s) for finance and other credit facilities up to a sum not exceeding INR 13,750 Crores (Rupees Thirteen Thousand Seven Hundred and Fifty Crores only);

RESOLVED FURTHER THAT the Board of Directors or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such immovable and/or movable properties, receivables of the Company on such terms and conditions as may be decided by the Board of Directors or such Committee in consultation with the lenders/ trustees and for reserving the aforesaid right and for performing all such acts, things and deeds as may be necessary for giving full effect to this resolution.

Certified to be True
For **Shriram Housing Finance Limited**

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Puja Shah
Company Secretary and Compliance Officer

Place: Mumbai
Date: July 14, 2022

(This Shelf Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE XI: SHAREHOLDERS RESOLUTION

SHRIRAM HOUSING FINANCE

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHRIRAM HOUSING FINANCE LIMITED HELD ON TUESDAY, JUNE 7, 2022 AT 12.00 P.M. AT NO. 144, SANTHOME HIGH ROAD, SHRIRAM CITY BUSINESS SOLUTIONS CENTER, MYLAPORE, CHENNAI 600 004.

COMMENCEMENT: 12.00 P.M **CONCLUSION: 1.00 P.M.**

Private Placement of Non-Convertible Debentures and / or other Debt Securities

"RESOLVED THAT pursuant to provisions of the Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Debt Securities) Regulations, 2008, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended time to time, and other applicable SEBI regulations and guidelines, and the circulars and clarifications issued by National Housing Bank ("NHB") from time to time and subject to such other applicable laws, rules and regulations, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include any duly constituted Committee of the Board), which the Board may have constituted or hereinafter constitute from time to time by whatever name called to exercise its power including the power conferred by this resolution), for making offer(s) or invitation(s) to subscribe and to allot Secured / Unsecured / Redeemable / Non-Redeemable / Market Linked Non-Convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, Commercial papers and / or other debt securities, etc., on a private placement basis, in one or more series / tranches during the period commencing from the date of this Annual General Meeting ("AGM") hereof until the conclusion of the next AGM of the Company to the Qualified Institutional Buyers, Foreign Institutional Investors, Foreign Portfolio Investors, Banks, Mutual Funds, Provident Funds, Corporates and such other entities / persons eligible to apply / subscribe the securities on such terms and conditions as may be decided, from time to time, determine and consider proper and most beneficial to the Company for refinancing of existing debt within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do determine, negotiate, modify and finalize the terms of issue including the class of investors to whom NCDs are to be issued, time of issue, securities to be offered, the number of NCDs, tranches, issue price, tenor, interest rate, premium / discount, listing, redemption period, utilization of issue proceeds and to do all such acts and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds / documents / undertakings / agreements / papers / writings, as may be required in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any director(s) and/or officer(s) of the Company and/or any Committee, to give effect to the resolution."

Certified to be true

For **Shriram Housing Finance Limited**

Puja Shah
Company Secretary and Compliance Officer

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 12TH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHRIRAM HOUSING FINANCE LIMITED HELD ON TUESDAY, JUNE 7, 2022 AT 12.00 P.M. AT NO. 144, SANTHOME HIGH ROAD, SHRIRAM CITY BUSINESS SOLUTIONS CENTER, MYLAPORE, CHENNAI 600 004.

COMMENCEMENT: 12.00 P.M **CONCLUSION: 1.00 P.M.**

Increase in the borrowing powers of the Company

"RESOLVED THAT in supersession of the special resolution passed at the Annual General meeting held on July 12, 2018 and pursuant to Sections 42, 62, 71 and 180 (1) (c) 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 & Exchange Board of India, National Housing Bank and any other applicable regulations, consent of the Members of Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors (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 its power including the power conferred by this resolution) to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency (i) by way of availing of long/short term loans and all kinds of financial assistance by all permissible methods, secured/ unsecured from banking companies, financial institutions, bodies corporate or any person(s), (ii) by way of issue of commercial papers, rupee denominated bonds/senior notes to eligible person(s), lenders, investor(s) (iii) by way of issue of redeemable nonconvertible debentures, subordinated debentures, bonds or any other security or instrument(s) on private placement basis as well as by way of public issue by issue of shelf-disclosure documents, prospectus, shelf prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, Foreign Institutional Investors, qualified institutional buyers, resident public financial institutions, multilateral financial institutions, regional financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and /or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net-worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, or (iv) by way of issuance of any other permissible instruments or methods of borrowing, whether unsecured or secured by mortgage, charge, hypothecation, lien, pledge or otherwise of the Company's assets and properties, whether movable or immovable, notwithstanding

SHRIRAM HOUSING FINANCE LTD. MUMBAI

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contact@shriramhousing.in
shriramhousing.in

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 of the Company and its free reserves, provided that the total amount borrowed and outstanding at any point of time shall not exceed 11,000 Crore (Rupees Eleven Thousand Crores only);

RESOLVED FURTHER THAT the Board or such Committee or person(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Certified to be true
For **Shriram Housing Finance Limited**

SHRIRAM HOUSING FINANCE LTD. MUMBAI

Puja Shah
Company Secretary and Compliance Officer

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

TRANCHE PLACEMENT MEMORANDUM

SHRIRAM HOUSING FINANCE LIMITED
(“**Issuer**” / “**Company**”)

A public limited company incorporated under the Companies Act, 1956

Tranche Placement Memorandum for issue of Debentures on a private placement basis

TRANCHE PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF 5,000 (FIVE THOUSAND) LISTED, RATED, UNSECURED, SUBORDINATED, TIER II, REDEEMABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INR IN THE NATURE OF TIER II CAPITAL, EACH HAVING A FACE VALUE OF INR 1,00,000 (INDIAN RUPEES ONE LAKH) FOR AN AGGREGATE ISSUE SIZE OF INR 50,00,00,000 (INDIAN RUPEES FIFTY CRORE) (“DEBENTURES” OR “NCDS”) ON A PRIVATE PLACEMENT BASIS (THE “TRANCHE ISSUE”).

THE DEBENTURES ISSUED UNDER THIS TRANCHE ISSUE ARE SUBJECT TO THE OVERALL SHELF LIMIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS AS SET OUT IN THIS TRANCHE PLACEMENT MEMORANDUM FOR SUCH TRANCHE ISSUE, WHICH SHOULD BE READ TOGETHER WITH THE SHELF PLACEMENT MEMORANDUM DATED MAY 15, 2023.

THE SHELF PLACEMENT MEMORANDUM SHALL BE SUBJECT TO THE TERMS AND CONDITIONS PERTAINING TO THE DEBENTURES UNDER THIS SERIES 2 – TRANCHE 1 AS MODIFIED / SUPPLEMENTED BY THE TERMS OF THIS TRANCHE PLACEMENT MEMORANDUM FILED WITH THE STOCK EXCHANGE IN RELATION TO THIS TRANCHE ISSUE AND OTHER DOCUMENTS IN RELATION TO THIS TRANCHE ISSUE INCLUDING THE PRIVATE PLACEMENT OFFER LETTER(S).

THE TERMS AND CONDITIONS CONTAINED IN THIS TRANCHE PLACEMENT MEMORANDUM SHALL BE READ IN CONJUNCTION WITH THE PROVISIONS CONTAINED IN THE SHELF PLACEMENT MEMORANDUM, AND IN CASE OF ANY REPUGNANCY, INCONSISTENCY OR WHERE THERE IS A CONFLICT BETWEEN THE TERMS AND CONDITIONS AS ARE STIPULATED IN THIS TRANCHE PLACEMENT MEMORANDUM ON ONE HAND, AND THE TERMS AND CONDITIONS IN THE SHELF PLACEMENT MEMORANDUM ON THE OTHER, THE PROVISIONS CONTAINED IN THIS TRANCHE PLACEMENT MEMORANDUM SHALL PREVAIL OVER AND OVERRIDE THE PROVISIONS OF THE SHELF PLACEMENT MEMORANDUM FOR ALL INTENTS AND PURPOSES.

PART A: DISCLOSURES IN ACCORDANCE WITH SEBI DEBT LISTING REGULATIONS

*** Please refer pages 1-5 for all information required to be placed on the front page of the tranche placement memorandum in accordance with Schedule II of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (“**SEBI Debt Listing Regulations**”).*

Unless the context otherwise indicates or requires, the capitalised terms used in this Tranche Placement Memorandum but not defined terms shall have the meanings given in the Shelf Placement Memorandum

Please see below the disclosures as required under the terms of the SEBI Debt Listing Regulations:

S.no	Particulars	Relevant Disclosure
1.	**Corporate Identity Number of the Issuer**	U65929TN2010PLC078004
2.	**Permanent Account Number of the Issuer**	AAPCS3213D
3.	**Date and place of Incorporation of the Issuer**	Date of incorporation: November 9, 2010. Place of incorporation: Chennai, India
4.	**Latest registration / identification number issued by any regulatory authority which regulates the Issuer (in this case the RBI)**	08.0094.11, dated August 4, 2011.

5.	**Registered office address of the Issuer**	123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India. Telephone: (+91 44) 2534 1431
6.	**Corporate office address of the Issuer**	Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India. Telephone: (+91 22) 4241 0400
7.	**Telephone Number of the Issuer**	(+91 22) 4241 0400
8.	**Details of Compliance officer of the Issuer**	Name: Mrs. Puja Shah. Telephone Number: (+91 22) 42410 400 Email address: sect@shriramhousing.in
9.	**Details of Company Secretary of the Issuer**	Name: Mrs. Puja Shah. Telephone Number: (+91 22) 42410 400 Email address: sect@shriramhousing.in
10.	**Details of Chief Financial Officer of the Issuer**	Name: Mr. G. S. Agarwal Telephone Number: (+91 22) 4241 0400 Email address: sect@shriramhousing.in
11.	**Details of Promoters of the Issuer**	Name: Shriram Finance Limited Telephone Number:022 40959595 Email address: balasundar@shriramfinance.in
12.	**Website address of the Issuer**	www.shriramhousing.in
13.	**Email address of the Issuer**	sect@shriramhousing.in
14.	**Details of debenture trustee for the Issue**	Name: Beacon Trusteeship Limited Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opposite MIG Cricket Club, Bandra East, Mumbai – 400051. Logo: BEACON TRUSTEESHIP Telephone Number: 022-26558759 Email address: contact@beacontrustee.co.in Contact person: Mr. Kaustubh Kulkarni
15.	**Details of credit rating agency for the Shelf Issue**	Name: CRISIL RATINGS LIMITED Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Logo: CRISIL Ratings Telephone Number: (+91 22) 3342 3000 Email address: ajit.velonie@crisil.com Contact person: Mr. Ajit Velonie Name: CARE RATINGS LIMITED Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Logo: CareEdge Ratings • Advisory • Research • Risk Solutions Telephone Number: (+91 22) 6754 3456 Email address: care@careedge.in Contact person: Mr. Ravi Shankar
16.	**Date of Tranche Placement Memorandum**	May 18, 2023.
17.	**Type of placement memorandum**	This Tranche Placement Memorandum is in respect of the Tranche Issue of Debentures of 5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis. This Tranche Placement Memorandum is being made during the period of validity of the Shelf Placement Memorandum, and contains details of the private placement of the Debentures under this Tranche Issue, and material changes, if any, in the information including the financial information provided in the Shelf Placement Memorandum.

18.	**The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable**	5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis. The Issuer had offered 10,000 (Ten Thousand) Debentures through the draft Tranche Placement Memorandum uploaded on the BSE's electronic book provider platform. Post bidding on the BSE's electronic book provider platform, the base issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) is fully subscribed and the Issuer will allot 5,000 (Five Thousand) Debentures under this Tranche Issue.
19.	**The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the Shelf Placement Memorandum**	The Shelf Limit is INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).
20.	**Details of Registrar to the Issue**	Name: INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna St, North Usman Road, T Nagar, Chennai- 600 017. Logo: Integrated Corporate Solutions Simplified Telephone Number: (+91 44) 2814 0801 / 2814 0803 Fax number: (+91 44) 2814 2479 Website: www.integratedindia.in Email address: anusha@integratedindia.in
21.	**Issue Schedule**	Date of opening of the Issue: May 18, 2023 Date of closing of the Issue: May 18, 2023 Date of earliest closing of the Issue (if any): N.A.
22.	**Credit Rating of the Issue**	CARE Ratings Limited has vide its letters and rating rationale each dated May 4, 2023, assigned a rating of "CARE AA+/Stable" (pronounced as "CARE Double A Plus") with "Stable" outlook and CRISIL Ratings Limited vide its letters and rating rationale each dated May 5, 2023, assigned a rating of "CRISIL AA+/Stable" (pronounced as "CRISIL Double A Plus") with "Stable" outlook in respect of the Debentures. Please refer to **Annexure II** of this Tranche Placement Memorandum for the letter and rating rationale from the Rating Agencies assigning the credit rating abovementioned and the press release by the Rating Agencies in this respect. Link to press releases: CARE Ratings Limited: https://www.careratings.com/upload/CompanyFiles/PR/202305120536_Shriram_Housing_Finance_Limited.pdf CRISIL Ratings Limited: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/ShriramHousingFinanceLimited_May%2005,%202023_RR_318477.html
23.	**All the ratings obtained for the private placement of Issue**	Please refer to serial number 22 (*Credit Rating of the Issue*) above. No other ratings have been obtained for the purposes of this Issue.
24.	**The name(s) of the stock exchanges where the securities are proposed to be listed**	The Debentures are proposed to be listed on the debt market segment of the BSE Limited ("**BSE**").
25.	**The details about eligible investors**	The following categories of investors, are eligible to apply for this private placement of Debentures under the relevant Tranche Issue subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): 1. Qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure

		Requirements) Regulations, 2018, as amended ("**QIBs**"), which comprises of the following investors: • a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; • foreign portfolio investor other than individuals, corporate bodies and family offices; • a public financial institution; • a scheduled commercial bank; • a multilateral and bilateral development financial institution; • a state industrial development corporation; • an insurance company registered with the Insurance Regulatory and Development Authority of India; • a provident fund with minimum corpus of INR 25 Crore; • a pension fund with minimum corpus of INR 25 Crore; • National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • insurance funds set up and managed by army, navy or air force of the Union of India; • insurance funds set up and managed by the Department of Posts, India; and • systemically important NBFCs registered with RBI having a net worth of more than INR 500 Crore. 2. Any non QIB investor which is specifically mapped by the Issuer to the relevant Tranche Issue of Debentures. All potential Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. **Note:** Participation by potential Eligible Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
26.	**Coupon rate / interest rate, coupon / interest payment frequency, redemption date, redemption amount and details of debenture trustee**	The Interest Rate, the Interest payment frequency, the redemption date and redemption amount in respect of the Debentures, are set out in **Annexure I** of this Tranche Placement Memorandum. The details of Debenture Trustee are provided under serial number 14 above.
27.	**Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable**	5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis.
28.	**Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters**	Not applicable.
29.	**Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable**	This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus, and is neither an offer nor invitation under Section 42 of the Companies Act 2013, being made under this Tranche Placement Memorandum. This Tranche Placement Memorandum was uploaded on the BSE's electronic book provider platform. An offer will be made to successful Investors acceptable to the Issuer which will be issued a serially numbered and specifically addressed Private Placement Offer Letter and Application Form after completion of the electronic bidding, for this Tranche Issue.
30.	**Specific declaration requested by BSE: non-equity regulatory capital**	The issue of Debentures under each Series does not form part of non-equity regulatory capital as set out in the SEBI circular dated February 8, 2023 (bearing reference number SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/027) and under Chapter V and Chapter XIII of the Listed NCDs Operational Circular. The face value of each Debenture is INR 1,00,000 (Indian Rupees One Lakh).

		Notwithstanding the above, the Debentures shall form part of the Tier II Capital of the Issuer pursuant to the HFC Directions.

Background
This Tranche Placement Memorandum is related to the Debentures under Series 2 – Tranche 1 to be issued by Shriram Housing Finance Company Limited (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under the Shelf Placement Memorandum and this Tranche Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 7, 2022 and the Board of Directors of the Issuer on April 25, 2022 read with the resolution passed by the banking and finance committee of the Board of Directors on May 8, 2023, and the Memorandum and Articles of Association of the Issuer. Pursuant to the resolution passed by the Issuer's shareholders dated June 7, 2022 in accordance with provisions of the Companies Act, 2013, the Issuer has been authorised to raise funds, by way of issuance of non-convertible debentures, upon such terms and conditions as the Board may think fit for aggregate amounts not exceeding INR 11,000,00,00,000 (Indian Rupees Eleven Thousand Crores Only). The present issue of Debentures in terms of the Shelf Placement Memorandum and this Tranche Placement Memorandum is within the overall powers of the Board in accordance with the above shareholder resolution.

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

Issue Schedule	
Particulars	**Date**
Issue Opening Date	May 18, 2023
Issue Closing Date	May 18, 2023
Pay In Date	May 19, 2023
Deemed Date of Allotment	May 19, 2023

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

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(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 1: REGULATORY DISCLOSURES

1.1 Details of specific entities in relation to the Issue:

S.no	Particulars	Details
1.	Debenture Trustee to the Issue	Name: Beacon Trusteeship Limited Address: 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East, Mumbai – 400051. Logo: Telephone Number: 022-26558759 Email address: contact@beacontrustee.co.in Contact person: Mr. Kaustubh Kulkarni
2.	Credit Rating Agency for the Issue	Name: CRISIL RATINGS LIMITED Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076. Logo: Telephone Number: +91 22 3342 3000 Email address: ajit.velonie@crisil.com Contact person: +91 22 4097 8209 Name: CARE RATINGS LIMITED Address: :4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 Logo: Telephone Number: +91-22-6754 3456 Email address: care@careedge.in Contact person: Mr. Ravi Shankar
3.	Registrar to the Issue	Name: INTEGRATED REGISTERY MANAGEMENT SERVICES PRIVATE LIMITED Logo: Address: 2nd Floor, "Kences Towers", No. 1 Ramakrishna St., North Usman Road, T Nagar, Chennai- 600 0017 Website: www.integratedindia.in Email address: anusha@integratedindia.in Telephone Number: 044 - 28140801 to 28140803 Contact Person: Anusha N, Deputy General Manager
4.	Legal Counsel	Name: ZBA Logo: Address: 412 Raheja Chambers, 213 Nariman Point, Mumbai 400 021 Website: www.zba.co.in Email address: mail@zba.co.in Telephone Number: (+ 91 22) 6743 5013 Contact Person: Mrs. Niloufer Lam
5.	Guarantor	Not applicable.
6.	Arrangers	Name: Genev Capital Pvt. Ltd. Ms. Gayatri Sheth Logo: Address: Eucharistic Congress III, 09th Floor, 5th Convent Road, Colaba, Mumbai-400 039.Maharashtra. India. Phone: (+91 22) 62704650 Fax No. 022 62704606 E-Mail: dcm@genevcap.com Website: www.genevcap.com

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

1.2 Debt: Equity Ratio of the Issuer:

Before the Tranche Issue	5.00
After the Tranche Issue	5.08

Calculations

The debt-to-equity ratio is calculated as follows: (*INR in Lakhs*)

Debt	6,50,141.08
Equity	1,29,918.74
Debt / Equity	5.00

Subsequent to the Tranche Issue, debt-to-equity ratio shall be calculated as follows: (*INR in Lakhs*)

Debt	6,60,141.08
Equity	1,29,918.74
Debt / Equity	5.08

1.3 Procedure and time schedule for allotment and issue of securities

Please refer to Annexure I of this Tranche Placement Memorandum.

1.4 Cash flows emanating from the non-convertible securities shall be mentioned in the placement memorandum, by way of an illustration

The cashflows emanating from the Debentures, by way of an illustration, shall be set out in this Tranche Placement Memorandum.

1.5 Tranche Issue details

Please refer to Annexure I of this Tranche Placement Memorandum.

1.6 Application process

The application process for this Tranche Issue is as provided in Section 8 of the Shelf Placement Memorandum.

1.7 Details of Debt Securities Sought to be Issued

The Issuer intends to raise Debentures under this Tranche Issue by way of issue of listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, on a private placement basis, aggregating up to the Shelf Limit.

For further details of the Debentures issued under this Series, please refer to the Terms & Conditions set out in Annexure I of this Tranche Placement Memorandum.

1.8 Issue Size

The Shelf Limit is INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).

Under this Tranche Issue, the Issuer will issue and allot 5,000 (Ten Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of up to INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis.

The Issuer had offered 10,000 (Ten Thousand) Debentures through the draft Tranche Placement Memorandum uploaded on the BSE's electronic book provider platform. Post bidding on the BSE's

electronic book provider platform, the base issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) is fully subscribed and the Issuer will allot 5,000 (Five Thousand) Debentures under this Tranche Issue.

1.9 Utilization of the Issue Proceeds

The purpose of raising funds for the Tranche Issue is to augment long term resources of the company. The proceeds from the issue will be utilized for general business purpose including financing the growth of the portfolio of the Issuer, as is permitted by Reserve Bank of India and National Housing Bank.

The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Issuer directly or indirectly towards (a) capital market exposures defined under the HFC Master Directions (as well as equity, equity linked instruments or any other capital market land activities in relation to investment in land), (b) any payments towards dividends, (c) any speculative purposes, and (d) any activity in the exclusion list or investment in the real estate sector.

The Issuer undertakes that the proceeds of the Debentures shall not be utilised in direct exposure manner for onward lending to other non-banking financial companies and/or financial institutions without the prior written permission of the Debenture Holder(s) and shall be utilised in accordance with Applicable Law.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 2: FORM NO. PAS-4 - PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Addressed to: [__]
Serial No: [__]

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

(Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014)

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of 5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis (the "Tranche Issue").

PART A

2.1 General Information:

(a) **Name, address, website, if any, and other contact details of the Issuer, indicating both registered office and the corporate office:**

Issuer / Company:	Shriram Housing Finance Limited (the "**Issuer**" or "**Company**" or "**SHFL**")
Registered Office:	123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Corporate Office:	Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India
Telephone No.:	022 4241 0400
Website:	www.shriramhousing.in
Contact Person:	Puja Shah, Company Secretary
Email:	sect@shriramhousing.in

(b) **Date of Incorporation of the Issuer:**

November 9, 2010.

(c) **Business carried on by the Issuer and its subsidiaries with the details of branches or units, if any;**

The Issuer was incorporated to provide longer tenured home loan, loan against property and construction finance loans products to Shriram Group of customers as well as other customers and use this entity as means of cross-selling other products within the Shriram Group. Currently, the Issuer is engaged in the business of providing loans for construction, repair, renovation, purchase of residential property, loans against property and construction finance. Until now, the Issuer has predominantly catered to self-employed borrowers and informed salaried customers in tier II and tier III cities and the focus has been on lower income segment with an average ticket size of around INR 17 lakh. In the last four years until Financial Year 2023, the Issuer's AUM have grown at a CAGR of 44% from FY 2019-20 to FY 2022-23 to reach INR 8,047 Crore as on March 31, 2023.

Branch details:

As of the date of the Tranche Placement Memorandum, the Issuer has 134 branches.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Subsidiary details:

As of the date of the Tranche Placement Memorandum, the Issuer does not have any subsidiaries.

(d) **Brief particulars of the management of the Issuer:**

BRIEF PROFILE OF THE DIRECTORS OF THE ISSUER

Sl. No.	Name of the Director and Designation	Brief Profile
1	Mr. Subramanian Jambunathan Managing Director and CEO	Mr. Subramanian moved in as MD & CEO of Shriram Housing in Nov 2018. He has an experience of over two decades in the banking and financial services sector across organizations like HSBC, Citibank & ANZ Grindlays. He has successfully led independent businesses with complete P&L accountability for over a decade, and has served in senior management positions for diverse functions ranging from business process, reengineering to heading businesses. He joined the Shriram Group in the year 2010 as an Executive Director in Shriram City and has since then been involved in building and growing the SME lending business before moving into the current role. Subramanian holds a Management degree from IIM – Bangalore.
2	Mr. Srinivasa Chakravarti Yalamati Non-Executive, Non Independent Director	Mr. Y.S. Chakravarti is a Non-Executive, Non-Independent Director on the Board of SHFL. He holds a Bachelor's degree in Commerce and is an astute retail finance professional with proven business skills and leadership ability. He has worked in various assignments in the field of financial services for over the last 25+ years. While being the MD & CEO of Shriram City Union Finance Ltd., he also serves the Boards of Shriram Chits Pvt. Ltd. And Shriram Chits (Maharashtra) Ltd.
3	Mr. Venkataraman Murali Non-Executive, Independent Director	Mr. Venkataraman Murali is a Non-Executive, Independent Director on the Board. He holds degree of Bachelors of Commerce, from Vivekananda College, Chennai. He is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India and has to his credit more than three decades of experience in the relevant fields. He has been elected as Central Council Member of the Institute of Chartered Accountants of India for four terms in succession for the periods from 2004-2016 and secured a sixth consecutive record win in ICAI elections from the Southern Region. He has been on the Board since July 2013.
4	Ms. Lakshminarayanan Priyadarshini Non-Executive Independent Director	Ms. Priyadarshini is a Non-Executive, Independent Director on the Board of SHFL. She holds a Post Graduate Diploma in Business Management (Marketing & Finance) and has a B.A. Honours (Economics) degree from Delhi University. In a career spanning over two decades she has a diverse work experience with local and global players such as HSBC, ABN AMRO, ICICI Bank, Reliance Industries, GE India, IFCI and ONICRA. She has a wide experience in a variety of leadership roles in Business Development, Corporate & Retail sales, Corporate Banking and Key Account Management Business Strategy. She has been on the Board since October 2018.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

BRIEF PROFILE OF THE KEY MANAGERIAL PERSONNEL

Sl. No.	Name of the KMP and Designation	Brief Profile
1	Mr. G S Agarwal Chief Financial Officer	Mr. G. S. Agarwal is a dynamic professional with over 26 years of experience in Fund Mobilisation, Treasury Management, Planning & Strategy, Budgeting, Accounts, Compliance, MIS and Operations. He has worked in various areas in conceptualizing & executing financial procedures with Working Capital Management, Profit Monitoring and building Internal Financial Controls. His last role was with Magma Group as Group Treasury Head where he was responsible for Treasury Function for entire group along with additional role of CFO for Magma Housing Finance. He is a rank holder Chartered Accountant and enjoys excellent relationship with various Banks and Financial Institutions along with debt Capital market.
2.	Ms. Puja Shah Company Secretary and Compliance Officer	Ms. Puja Shah is qualified Company Secretary from Institute of Companies Secretaries of India having overall experience of around 7 years post qualification into secretarial matters including drafting of various policies and implementation of corporate governance practices. Her last role was with NABSAMRUDDHI Finance Ltd, subsidiary of NABARD.

(e) **Name, addresses, Director Identification Number (DIN) and occupations of the directors**:

S. No.	Name	Designation	DIN	Address	Occupation
1	Mr. Srinivasa Chakravarti Yalamati	Non-Executive, Non Independent Director	00052308	Plot No. 302 Heritage Banjara Apartment Road No.3, Panchavati Society, Banjara Hills, Hyderabad – 500 034	Service
2	Mr. Venkataraman Murali	Non-Executive, Independent Director	00730218	Commanders Court CCC034 C Block Flat 034 49, Ethiraj Salai, Egmore, Chennai 600 008	Professional
3	Mr. Subramanian Jambunathan	Managing Director and CEO	00969478	A/204, Sky Lark Condominium, New Kantwadi Pali Hill, Bandra (W), Mumbai - 400 050	Service
4	Ms. Lakshminarayanan Priyadarshini	Non-Executive, Independent Director	06592671	House No. 33, First Floor Paschimi Marg Vasant Vihar South West Delhi 110057	Professional

2.2 MANAGEMENT PERCEPTION OF RISK FACTORS

Please refer to Section 3 of the Shelf Placement Memorandum.

2.3 RISKS RELATED TO THE BUSINESS OF THE ISSUER

Please refer to Section 3 of the Shelf Placement Memorandum.

2.4 Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:

(i) Statutory Dues: Nil
(ii) Debentures and interest thereon: Nil
(iii) Deposits and interest thereon: Nil

(iv) Loan from any bank or financial institution and interest thereon: Nil

In respect of statutory dues, there is no material litigation which will impact the business of the Issuer. The Issuer has not defaulted on payments in respect of (i) debentures and interest thereon, (ii) deposits and interest thereon, and (iii) loan from any bank or financial institution and interest thereon.

2.5 Name, designation, address and phone number, email ID of the nodal / compliance officer of the Issuer, if any, for the private placement offer process

Name: Puja Shah
Designation: Company Secretary and Compliance Officer
Address: Level 3, Wockhardt Towers, East Wing, Bandra Kurla Complex, Mumbai- 400 051
Phone No.: (+91 22) 4241 0400.
Email: sect@shriramhousing.in

2.6 Any default in annual filing of the Issuer under the Companies Act, 2013 or the rules made thereunder

There has been no default in annual filing of the Issuer under the Companies Act and the rules made thereunder.

2.7 Particulars of the Offer

Financial position of the Issuer for the last 3 (three) financial years	Please refer to **PART A** below.
Date of passing of Board Resolution	Board resolution dated April 25, 2022 read with the relevant resolution of the banking and finance committee for the Tranche Issue.
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders resolutions under Section 42 of the Companies Act, 2013 dated June 7, 2022 and under Section 180 (1) (c) of the Companies Act, 2013 dated June 7, 2022.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of 5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis (the "Tranche Issue").
Price at which the security is being offered, including premium if any, along with justification of the price	The Debentures are being offered at face value of INR 1,00,000 (Rupees One Lakh) per Debenture
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not Applicable as the Debentures are being offered at face value of INR 1,00,000 (Rupees One Lakh) per Debenture
Relevant date with reference to which the price has been arrived at (Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Issuer is scheduled to be held)	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).

<table>
<tr><td>The class or classes of persons to whom the allotment is proposed to be made</td><td>Please refer to ‘Eligible Investors’ under Annexure I of this Tranche Placement Memorandum.</td></tr>
<tr><td>Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (Not required in case of issue of non-convertible debentures)</td><td>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).</td></tr>
<tr><td>The proposed time within which the allotment shall be completed</td><td>The Debentures will be deemed to be allotted on May 19, 2023 (“Deemed Date of Allotment”), and the Issuer will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures (“Debenture Holders”) within the time period prescribed in the SEBI Listing Timelines Requirements, each in accordance with the master debenture trust deed (“Master DTD”), and the supplement to the Master DTD to be entered into between the Issuer and the debenture trustee (“Debenture Trustee”).</td></tr>
<tr><td>The names of the proposed allottees and the percentage of post private placement capital that may be held by them (Not applicable in case of issue of non-convertible debentures)</td><td>Not applicable as the Debentures are non-convertible debt instruments which is being issued at face value of INR 1,00,000 (Rupees One Lakh).</td></tr>
<tr><td>The change in control, if any, in the Issuer that would occur consequent to the private placement</td><td>No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.</td></tr>
<tr><td>The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price</td><td>Allotment on preferential basis/private placement/rights issue made to entities during financial year 2023-24, as on the issue opening date of this Tranche Issue.
<table>
<tr><th>S. No.</th><th>Number of securities allotted</th><th>Type of securities allotted</th><th>Face value of each security (in INR)</th><th>Aggregate value of securities (in INR)</th><th>Preferential basis/private placement/rights issue</th></tr>
<tr><td>1.</td><td>2500 to :
a. NIPPON INDIA FIXED HORIZON FUND
b. NIPPON INDIA BALANCED ADVANTAGE FUND</td><td>Non-convertible debentures</td><td>1,00,000</td><td>25,00,00,000</td><td>Private Placement</td></tr>
</table></td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of INR 1,00,000 (Rupees One Lakh).</td></tr>
<tr><td>Amount, which the Issuer intends to raise by way of proposed offer of securities</td><td>Issue of 5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis.</td></tr>
</table>

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

<table>
<tr><td>Terms of raising of securities</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>Bullet repayment at the end of 10 years on 19 May 2033, subject to NHB Approval.</td></tr>
<tr><td>Rate of Interest:</td><td>Fixed Coupon Rate 9.10% p.a. For every downgrade in the Issuer's credit rating below the current level of AA+, the Coupon Rate will be increased by 0.20% from the date of downgrade. However, the Coupon Rate will be revised back to 9.10% p.a., once the credit rating is upgraded back to AA+ or higher.</td></tr>
<tr><td>Mode of Payment</td><td>Electronic clearing services (ECS)/credit through RTGS system/funds transfer. The subscription amounts on the Debentures issued by the Issuer should be paid into the following bank account:
<table>
<tr><td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr>
<tr><td>Branch</td><td>RPC Delhi</td></tr>
<tr><td>IFSC Code</td><td>ICIC0000106</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr>
</table></td></tr>
<tr><td>Mode of Repayment</td><td>Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr>
</table>
</td></tr>
<tr><td>Proposed time schedule for which the Issue/Offer Letter is valid</td><td>Issue Opening Date for the Tranche Issue: 18 May 2023
Issue Closing Date for the Tranche Issue: 18 May 2023
Pay-in Date for the Tranche Issue: 19 May 2023
Deemed Date of Allotment for the Tranche Issue: 19 May 2033</td></tr>
<tr><td>Purpose and objects of the Issue/Offer</td><td>To augment long term resources of the company. The proceeds from the issue will be utilized for general business purpose including financing the growth of the portfolio of the Issuer, as is permitted by Reserve Bank of India and National Housing Bank.

The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Issuer directly or indirectly towards (a) capital market exposures defined under the HFC Master Directions (as well as equity, equity linked instruments or any other capital market land activities in relation to investment in land), (b) any payments towards dividends, (c) any speculative purposes, and (d) any activity in the exclusion list or investment in the real estate sector.

The Issuer undertakes that the proceeds of the Debentures shall not be utilised in direct exposure manner for onward lending to other non-banking financial companies and/or financial institutions without the prior written permission of the Debenture Holder(s) and shall be utilised in accordance with Applicable Law.</td></tr>
<tr><td>Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects</td><td>Nil.</td></tr>
<tr><td>Principal terms of assets charged as security, if applicable</td><td>Not applicable as the Debentures are unsecured.</td></tr>
<tr><td>The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Issuer and its future operations</td><td>NIL</td></tr>
</table>

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

The pre-issue and post-issue shareholding pattern of the Issuer in the following format

S. No.	Category	Pre-issue		Post-issue	
		No. of shares held	**Percentage (%) of shareholding**	**No. of Shares held**	**% of share holding**
A	**Promoters' holding**	276551106	84.82%	276551106	84.82%
	Indian				
1	Individual	-	-	-	-
	Bodies Corporate	276551106	84.82%	276551106	84.82%
	Sub-total	276551106	84.82%	276551106	84.82%
2	**Foreign promoters**				
	Sub-total (A)	276551106	84.82%	276551106	84.82%
B	**Non-promoters' holding**				
1.	Institutional Investors	-	-	-	-
2.	Non-Institutional Investors	-	-	-	-
	Private Corporate Bodies including Foreign Companies	48720000	14.94%	48720000	14.94%
	Directors and relatives	750000	0.23	750000	0.23
	Indian public	-	-	-	-
	Others (including Non-resident Indians and Non-Promotor- Non Public shareholding)	31667	0.00	31667	0.00
	Sub-total (B)	49501667	15.18%	49501667	15.18%
	GRAND TOTAL	**32,60,52,779**	**100%**	**32,60,52,779**	**100%**

2.8 Mode of payment for subscription

(x) Other Banking Channels

2.9 Disclosure with regard to interest of directors, litigation, etc

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	The Promoter, Directors or Key Managerial Personnel of the Issuer do not have any financial or other material interest in the Issue of Debentures.
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Issuer during the last 3 (three) years immediately preceding the year of the issue of this private placement offer cum	There are no such events which would have a material impact on the Issue or the Investor's decision to invest in the Debentures.

<table>
<tr><td>application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</td><td></td></tr>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>No remuneration has been paid to the Independent Directors except sitting fees for attending Board and Committee meetings during the last 3 (Three) Financial Years and the current year. All independent non-executive Directors are entitled for sitting fees for attending each meeting of the Board and its Committees. The details of the sitting fees are as follows:
(INR. in Lakh)
<table>
<tr><th>Director</th><th>2022-23</th><th>2021-22</th><th>2020-2021</th></tr>
<tr><td>Independent Director</td><td>***23.01</td><td>22.35</td><td>12.26</td></tr>
</table>
***The details of the sitting fees for the current financial year (2022-2023) has not been determined by the Issuer as on the date of this Tranche Placement Memorandum.

The remuneration paid to the Managing Director is as follows:
(INR in Crore)
<table>
<tr><th>Director</th><th>2022-23</th><th>2021-2022</th><th>2020-2021</th></tr>
<tr><td>Managing Director</td><td>2.46</td><td>2.14</td><td>1.86</td></tr>
</table></td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to PART C below.</td></tr>
<tr><td>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remark</td><td>There are no qualifications, reservations and adverse remarks expressed by the statutory auditors of the Issuer in the last five Financial Years immediately preceding the year of issue of the Tranche Placement Memorandum.</td></tr>
<tr><td>Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of this</td><td>There have not been any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of the date of the Tranche Placement Memorandum in the case of the Issuer. Further, there have not been any prosecutions filed under the Companies Act (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the date of the Tranche Placement Memorandum.</td></tr>
</table>

private placement offer cum application letter in the case of the Issuer and all of its subsidiaries and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Issuer and all of its subsidiaries	
Details of acts of material frauds committed against the Issuer in the last 3 (three) years, if any, and if so, the action taken by the Issuer	There has not been any incident of material frauds committed against the Issuer during the last three financial years preceding the date of the Tranche Placement Memorandum.

2.10 Financial Position of the Issuer as on March 31, 2023

The capital structure of the Issuer in the following manner in a tabular form

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Share Capital** / **Aggregate Nominal Value** **Authorised** Authorised Capital: INR 400,00,00,000 **Equity Share Capital** **400,00,00,00** equity shares of INR. 10/- each: INR 400,00,00,000 **TOTAL**: INR 400,00,00,000 **Issued, Subscribed and Paid-up Share Capital**: INR 326,04,61,120* **Equity Share Capital** **32,60,46,112** equity shares of INR. 10/- each: INR 326,04,61,120* **TOTAL**: INR 326,04,61,120* Authorised Capital: INR 400,00,00,000 *Issued, Subscribed and Paid-up Capital as on the date of the Tranche Issue: INR 326,05,27,790 Equity Share Capital as on the date of the Tranche Issue: 32,60,52,779 equity shares of INR 10/- each, aggregating to INR 326,05,27,790.
Size of the Present Offer	Aggregate Shelf Limit of INR 230,00,00,000 (Indian Rupees Two Hundred and Thirty Crore).
Paid-up Capital: **a. After the offer*:** **b. After the conversion of convertible instruments (if applicable)**	 INR 326,04,61,120 as on March 31, 2023. The paid up capital as on the date of the Tranche Issue is INR 326,05,27,790. Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share Premium Account*: **a. Before the offer:**	 a. INR 5,09,84,19,910

b. After the offer:	b. INR 5,09,86,55,415

** Note: Details are as on March 31, 2023. As the Tranche Issue is in respect of Debentures, there will be no change in the paid up capital or the share premium account subsequent to the Tranche Issue of Debentures. The Issuer has updated the Tranche Placement Memorandum for changes, in the paid up capital and share premium account as on the issue opening date of this Tranche Issue.*

Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of allotment	No. of equity shares	Face value	Issue Price	Form of Consideration	Nature of allotment	Cumulative			Remarks
						No. of equity shares	Equity share capital (INR)	Equity share Premium (in INR)	
25.11.2010	1006	10	10	Cash	Subscription to M&A	1006	10060	0	Equity
28.12.2010	2048994	10	10	Cash	Preferential	2050000	20500000	0	Equity
22.02.2011	450000	10	10	Cash	Preferential	2500000	25000000	0	Equity
20.06.2011	500000	10	10	Cash	Preferential	3000000	30000000	0	Equity
29.07.2011	300000	10	10	Cash	Preferential	3300000	33000000	0	Equity
27.08.2011	1500000	10	10	Cash	Preferential	4800000	48000000	0	Equity
07.02.2012	5000000	10	10	Cash	Preferential	9800000	98000000	0	Equity
16.03.2012	5000000	10	10	Cash	Preferential	14800000	148000000	0	Equity
03.04.2012	55200000	10	10	Cash	Preferential	70000000	700000000	0	Equity
03.04.2012	21500000	10	35	Cash	Preferential	91500000	915000000	537500000	Equity
19.07.2013	95440000	10	10	Cash	Preferential	186940000	1869400000	0	Equity
19.07.2013	27220000	10	35	Cash	Preferential	214160000	2141600000	680500000	Equity
14.05.2021	4,44,44,445	10	35	Cash	Rights Issue	258604445	2586044450	1555555575	Equity
13.10.2021	66666667	10	35	Cash	Rights Issue	325271112	3252711120	2333333345	Equity
30.08.2022	25,000	10	10	Cash	ESOP	325296112	3252961120	0	ESOP
31.12.2022	6,00,000	10	10	Cash	ESOP	325896112	3258961120	0	ESOP
31.01.2023	1,50,000	10	10	Cash	ESOP	326046112	3260461120	0	ESOP

The number and price at which each of allotments were made by the Issuer in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case	1) Allotment dated August 30, 2022: 25,000 shares of INR 10 each under ESOP for cash. 2) Allotment dated December 31, 2022: 6,00,000 shares of INR 10 each under ESOP for cash. 3) Allotment dated January 31, 2023: 1,50,000 shares of INR 10 each under ESOP for cash.
Profits of the Issuer, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter	

FY	PBT (in INR. Cr)	PAT (in INR. Cr)
FY 2023	169.96	137.75
FY 2022	109.14	80.34
FY 2021	84.24	62.38

Dividends declared by the Issuer in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)

Year	2023	2022	2021
Dividend Declared	Nil	Nil	Nil
Interest Coverage Ratio	1.43	1.39	1.4

A summary of the financial position of the Issuer as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter	Please refer to Annexure V of the Shelf Placement Memorandum.
Audited Cash Flow Statement for the 3 (three) years immediately	Please refer to Annexure V of the Shelf Placement Memorandum.

preceding the date of circulation of this private placement offer cum application letter	
Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Issuer	The financial statements, for the Financial Year ended March 31, 2023, have been prepared under IND AS notified under Section 133 of the Companies Act, 2013, and the Companies (Indian Accounting Standard) Rules 2015, as amended by the Companies (Indian Accounting Standard Amendments) Rules 2016 for the year ended March 31, 2023. Accordingly, the Issuer has prepared financial statements which comply with IND AS applicable for periods ending on March 31, 2023, together with the comparative period data as at and for the year ended March 31, 2022. Corresponding adjustments pertaining to the comparative previous year as prescribed in the financial results have been restated / reclassified in order to confirm to the presentation for the Financial Year ended March 31, 2023.

2.11 PART B (To be filed by the Applicant)

(i) Name:

(ii) Father's name:

(iii) Complete Address including Flat / House Number, Street, Locality, Pin Code:

(iv) Phone number; if any:

(v) Email ID, if any:

(vi) PAN Number:

(vii) Bank Account details:

(viii) Tick whichever is applicable:

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-☐ ;

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.- ☐

_____

Signature

_____

Initial of the Officer of the Issuer designated to keep the record

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

2.12 DECLARATION (To be provided by the Directors)

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

C. the monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Issuer *vide* resolution number 14 dated April 25, 2022 read with the resolution of the banking and finance committee of the Board of Directors of the Issuer dated January 11, 2023, to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SHRIRAM HOUSING FINANCE LIMITED**

SUBRAMANIAN JAMBUNATHAN

Digitally signed by SUBRAMANIAN JAMBUNATHAN
Date: 2023.05.18 18:58:39 +05'30'

Authorised Signatory
Name: Subramanian Jambunathan
Title: Managing Director & CEO
Date: May 18, 2023

Enclosed

A summary of the financial position of the Issuer as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this Offer Letter
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer letter
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided
Optional attachments, if any

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

Please refer to Annexure V of the Shelf Placement Memorandum.

RELATED PARTY TRANSACTIONS ENTERED DURING THE LAST 3 (THREE) FINANCIAL YEARS IMMEDIATELY PRECEDING THE YEAR OF ISSUE

Please refer to the Shelf Placement Memorandum.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

SECTION 11: DECLARATION BY THE DIRECTORS

Each of the directors of the Issuer hereby confirm and declare that:

A. the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder;

B. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, if applicable, is guaranteed by the Central Government;

C. the monies received under the Issue shall be used only for the purposes and objects indicated in this Tranche Placement Memorandum; and

D. whatever is stated in this Tranche Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Tranche Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

General Risk
Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Eligible Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, Eligible Investors must rely on their examination of the issue including the risks involved in it. Specific attention of Eligible Investors is invited to Section 3 (Risk Factors) of the Shelf Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or the Eligible Investor's decision to purchase such Debentures.

I am authorized by the Board of Directors of the Issuer *vide* resolution dated April 25, 2022 read with the resolution of the banking and finance committee of the Board of Directors of the Issuer dated May 8, 2023 to sign this Tranche Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of the Tranche Placement Memorandum and matters incidental thereto have been complied with.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **SHRIRAM HOUSING FINANCE LIMITED**

SUBRAMANIAN JAMBUNATHAN

Digitally signed by SUBRAMANIAN JAMBUNATHAN
Date: 2023.05.18 18:59:18 +05'30'

Authorised Signatory
Name: Subramanian Jambunathan
Title: Managing Director & CEO
Date: May 18, 2023

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE I: TERM SHEET

SUMMARY TERM SHEET

DESCRIPTION	PARTICULARS
Security Name (***Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year***)	Shriram Housing Finance Limited 9.10% May 2033 Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures (Tier II NCD) – Series 2 – Tranche 1
Issuer/Company	Shriram Housing Finance Limited (SHFL)
Trustee	Beacon Trusteeship Limited
Type of Instrument	Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital
Nature of Instrument (Secured or Unsecured)	Unsecured
Seniority (Senior or subordinated)	Subordinated
Mode of Issue	Private Placement
Eligible Investors	1. Qualified institutional buyers (as defined under Regulation 2(1)(ss) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which comprises of the following investors: • a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI; • foreign portfolio investor other than individuals, corporate bodies and family offices; • a public financial institution; • a scheduled commercial bank; • a multilateral and bilateral development financial institution; • a state industrial development corporation; • an insurance company registered with the Insurance Regulatory and Development Authority of India; • a provident fund with minimum corpus of INR. 25 Crore; • a pension fund with minimum corpus of INR. 25 Crore; • National Investment Fund set up by resolution no. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; • insurance funds set up and managed by army, navy or air force of the Union of India; • insurance funds set up and managed by the Department of Posts, India; and • systemically important NBFCs registered with RBI having a net worth of more than INR. 500 Crore. 2. Non-qualified institutional buyers as mapped to this Tranche Issue by the Issuer.
Detail of Arranger (if any)	Genev Capital Pvt. Ltd. Ms. Gayatri Sheth Logo: Address: Eucharistic Congress III, 09th Floor, 5th Convent Road, Colaba, Mumbai-400 039.Maharashtra. India. Phone: (+91 22) 62704650 Fax No. 022 62704606 E-Mail: dcm@genevcap.com Website: www.genevcap.com
Detail of Anchor (if	None

any)	
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures to be issued under the Tranche Placement Memorandum will be applied to get listed on the debt market segment of BSE within 3 (three) trading days from the issue closing date as mentioned in the SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time. Delay in Listing: In case of delay in listing of the debt securities beyond 3 working days from the date of closure of the Issue, the Company will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 3 working days from the deemed date of allotment till the listing of such debt securities to the investor.
Rating of the Instrument	CARE AA+/ Stable and CRISIL AA+/Stable
Final Issue Size	INR 50 Crores
Anchor Portion	No
Past Issue History	N.A. This is the first Tranche Issue under the Shelf Issue.
Minimum subscription	The minimum subscription for the Issue shall be 100 Debentures and in multiples of 1 Debenture thereafter, i.e. INR 1,00,00,000 (Rupees One Crore Only)
Objects of the Issue / Purpose for which there is requirement of funds and details of utilization of the proceeds.	To augment long term resources of the company. The proceeds from the issue will be utilized for general business purpose including financing the growth of the portfolio of the Issuer, as is permitted by Reserve Bank of India and National Housing Bank. The Issuer undertakes that no part of the proceeds of the Debentures shall be utilized by the Issuer directly or indirectly towards (a) capital market exposures defined under the HFC Master Directions (as well as equity, equity linked instruments or any other capital market land activities in relation to investment in land), (b) any payments towards dividends, (c) any speculative purposes, and (d) any activity in the exclusion list or investment in the real estate sector. The Issuer undertakes that the proceeds of the Debentures shall not be utilised in direct exposure manner for onward lending to other non-banking financial companies and/or financial institutions without the prior written permission of the Debenture Holder(s) and shall be utilised in accordance with Applicable Law.
Details of the utilization of the Proceeds.	The proceeds will be utilized in-line with the objects of the issue. Up to 100% funds will be utilized within the categories mentioned in the objects of the issue.
In case the Issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable
Interest/Coupon Rate	Fixed Coupon Rate 9.10% p.a.
Step Up/Step Down Coupon Rate	For every downgrade in the Issuer's credit rating below the current level of AA+, the Coupon Rate will be increased by 0.20% from the date of downgrade. However, the Coupon Rate will be revised back to 9.10% p.a., once the credit rating is upgraded back to AA+ or higher.
Coupon Reset Process (Including rates, spread, effective date, interest rate cap and floor etc)	The Coupon Rate will be revised back to 9.10% p.a., once the credit rating is upgraded back to AA+ or higher.
Process of Computing Coupon Payment	Fixed coupon of 9.10% p.a.

Coupon Payment Frequency	Annually and on Maturity Date (as per the Coupon Payment Dates)
Coupon Payment Dates	19 May 2024, 19 May 2025, 19 May 2026, 19 May 2027, 19 May 2028, 19 May 2029, 19 May 2030, 19 May 2031, 19 May 2032 and 19 May 2033
Coupon Type	Fixed Coupon Rate
Manner of Allocation	Uniform Yield
Principal Payment Frequency	Bullet repayment at the end of 10 years on 19 May 2033, subject to NHB Approval.
Final Maturity Date	19 May 2033, subject to NHB Approval
Day Count Basis (Actual / Actual)	Actual / Actual
Interest on Application Money	Not applicable, as the Pay In Date and Deemed Date of Allotment are on the same day.
Default Interest Rate	(a) In case of failure by the Issuer in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Issuer shall be liable to pay further default interest which shall be calculated at 2% (Two Percent) per annum over and above the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. The default interest under the terms of this paragraph may be waived by the Majority Debenture Holder(s) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons as set below and does not exceed 2 (Two) Business Days from the date of such failure to pay: (i) The Due Date for such payment falls on a day which is not a Business Day. (ii) Payment infrastructure i.e. RTGS transfers, experiencing any downtime (b) Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, in case of default by the Issuer in the performance of any other covenants, including Financial Covenants as provided for in the Debenture Trust Deed, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. (The default interest payable in terms of this paragraph is hereinafter referred to as the "Default Interest").
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	10 years from the Deemed Date of Allotment, subject to NHB Approval
Redemption Date / Maturity Date	19 May 2033, subject to NHB Approval
NHB Approval	The approval of the NHB for redemption of the Debentures, in accordance with the RBI's circular number DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on "Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021" dated February 17, 2021 (as amended, modified or restated from time to time).
Redemption Amount	At Par, INR 1,00,000 (Rupees One Lakh) per Debenture
Redemption Premium/ Discount	Not Applicable
Issue Price	INR 1,00,000 (Rupees One Lakh) per Debenture

Pay-in Amount	INR 1,00,000 (Rupees One Lakh) per Debenture
Premium/Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable
Rollover Option	Not Applicable
Face Value	INR 1,00,000 (Rupees One Lakh) per Debenture
Minimum Application and in multiples of thereafter	The minimum application size for the Issue shall be 100 Debentures and in multiples of 1 Debenture thereafter.
Issue Timing	Issue Opening Date for the Tranche Issue: 18 May 2023 Issue Closing Date for the Tranche Issue: 18 May 2023 Pay-in Date for the Tranche Issue: 19 May 2023 Deemed Date of Allotment for the Tranche Issue: 19 May 2033
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depository	NSDL and CDSL
Business Day	A 'working day' as defined under the SEBI Debt Listing Regulations and shall refer to a day when commercial banks are open for business in Mumbai. Explanation: For the purpose of this definition, in respect of: • Announcement of bid/issue period: 'Business Day' shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Tranche Placement Memorandum are open for business; • Time period between the Tranche Issue Closing Date and the listing of the Debentures on the Stock Exchange: 'Business Day' shall mean all trading days of the Stock Exchange for non-convertible securities, excluding Saturdays, Sundays and bank holidays, as specified by the SEBI.
Business Day Convention	If any Coupon Payment Date fall on a day, that is not a Business Day, the payment may be made on the following Business Day. If any principal payment date falls on a holiday, Principal will be payable on the previous Business Day. In case of failure of RBI's system for RTGS/NEFT payment, the same will be made on the next business day. The Company will not be liable to pay any additional interest on account of same.

	The Business Day Convention will be as per SEBI Circular – SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021
Disclosure of Interest / redemption dates	Please see the section on **'Coupon Rate'** and **'Redemption Date'** above.
Record Date	7 Calendar Days prior to the relevant event. (In case the date falls on a date which is not a Business Day as per SEBI convention, then the date prior to the date will be considered for Record Date)
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document / Information Memorandum.	Not applicable
Transaction Documents	The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per Latest SEBI Guidelines / Companies Act 2013 (as applicable) for issuance of Debentures through Private Placement: 1. Trustee Consent letter to the Debenture Holders; 2. Master Debenture Trustee Agreement; 3. Supplement to the Debenture Trustee Agreement; 4. Master Debenture Trust Deed; 5. Supplement to Master Debenture Trust Deed. All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.
Disclosure Documents	1. Shelf Placement Memorandum; 2. Tranche Placement Memorandum 3. Private Placement Offer Letter (Form PAS 4).
Conditions Precedent to Disbursement	The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Deemed Date of Allotment: (a) The Company shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013 and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies

	(Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; (b) The Company shall have obtained the governmental and issued the corporate authorizations (including board / committee resolution permitting the issuance of the Debentures and the listing of the Debentures), as applicable. (c) Execution by the Company of the Master Debenture Trustee Agreement, Supplement to the Master Debenture Trustee Agreement, the Master Debenture Trust Deed and Supplement to the Master Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (d) The Company shall have submitted to the Debenture Trustee, the rating letters from the Rating Agencies within a minimum credit rating of "AA+" with Stable outlook; (e) The Company shall have submitted to the Debenture Holders or the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements; (f) The Company shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the certificate of incorporation; (g) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or audited financial half-year. (h) The Company shall have provided a certificate to the Debenture Trustee, (including board resolution permitting issuer for listing of securities), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the Issuer to be exceeded. (i) The Company shall have obtained the consent letter from the Debenture Trustee; (j) The Company shall provide such other undertaking as may be required by the Debenture Holder(s); (k) The Company shall ensure that all necessary approvals have been obtained for the Issue. (l) The Company shall have submitted due diligence certificate issued by the Debenture Trustee to BSE in accordance with the SEBI Debt Listing Regulations; and (m) The Company shall have submitted any other documents that may be requested by the Debenture Trustee and/or the Debenture Holders; (n) Any other as defined in the Master Debenture Trust Deed.
Conditions Subsequent to Disbursement	The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed: (a) On or prior to the utilisation of the subscription monies by the Company in respect of the Debentures and in any case, within 15 (Fifteen) days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies; (b) Within 2 (Two) Business Days from the Deemed Date of Allotment, the Company shall ensure credit of dematerialised account(s) of the allottee(s) of the Debentures with the number of Debentures allotted; (c) Within 3 (Three) Business Days from the date of closing of the Issue, the Company shall list the Debentures on the BSE and obtain the listing approval from the BSE; (d) The Company shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures. (e) Any other as defined in the Master Debenture Trust Deed.
Events of Default *(including manner of voting /conditions of joining Inter Creditor Agreement)*	The occurrence of any one of the following events shall constitute an “Event of Default” by the Company: I. Default in redemption of debentures:

	Default shall have occurred in the Redemption of the Debentures as and when the same shall have become due and payable. Provided that, any event of non-repayment of Redemption amount of the Debentures by the Issuer pursuant to the provisions of the HFC Master Directions (including not receipt of NHB Approval) shall not be construed to be an Event of Default. Provided further that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default. II. Default in payment of Coupon: Any default by the Company in the payment of any instalment of Coupon of the Debentures, as and when the same shall have become due and payable. Provided that, if the non-payment by the Issuer is due to the payment infrastructure i.e. RTGS transfers, experiencing any downtime, and such failure to pay does not exceed 2 (Two) Business Days, the non-payment shall not be construed to be an Event of Default. III. Default in performance of covenants and conditions: Default shall have occurred in the performance of any material covenants, conditions or agreements on the part of the Company other than any payment defaults under this Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/Beneficial Owner(s)/ Debenture Trustee and the same is not cured within 30 (thirty) days. IV. Company ceases to carry on business: If the Company ceases with/without the consent of the Debenture Holder(s) or threatens (in writing) to cease to carry on its business or gives notice of its intention to do so. V. Inability to pay debts: If the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into insolvency or liquidation have been admitted by any competent court or a special resolution has been passed by the shareholders for winding up of the Company or for filing an application to initiate insolvency resolution process of the Company or it is certified by the statutory auditors that the liabilities of the Company exceed its assets indicating the inability of the Company to discharge its obligations under this Deedand such default has not been set right by the Company within 30 (thirty) days of the Company receiving a notice to this effect from the Debenture Trustee. VI. Proceedings against Company: The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law, or has suffered any action taken for its reorganization, insolvency, liquidation or dissolution except an application filed by an operational creditor of the Company for initiation of corporate insolvency resolution process in respect of the Company, which has been disputed by the Company and gets dismissed within 30 (thirty) days from the commencement of such proceedings; or. A receiver or resolution professional or liquidator is appointed or allowed to be appointed in respect of all or any part of the undertaking of the Company and the appointment has not been stayed, quashed or dismissed within 30 (thirty) days from the date of such appointment. VII. Misleading Information:

	Any information given by the Company in the Disclosure Documents, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/Beneficial Owner(s) for availing financial assistance by way of subscription to the Debentures is or proves to be materially misleading or incorrect in any material respect or is found to be incorrect. The Company shall have the right to cure the Events of Default within the cured periods mentioned thereunder. Further, it is hereby clarified that in case the Company fails to cure any of the Events of Default above within their respective cure periods in accordance thereof, the Debenture Trustee shall seek written instructions from the Majority Debenture Holders or pass a resolution by holding a meeting or through E-voting to serve a notice to the Company to accelerate the payments due and payable for with under the Master Debenture Trust Deed ("Default Notice"). If the Company fails to make payments required to be made pursuant to the Default Notice, the Debenture Trustee may declare the same as an event of default ("Event of Default") under the terms of the Master Debenture Trust Deed. For the purposes of Default Notice, the Debenture Trustee shall obtain consent in writing of the Debenture Holders representing not less than 3/4th in value of the outstanding amount of the Debentures for the time being outstanding, or by a special resolution duly passed at the meeting of the Debenture Holders convened in accordance with the provisions set out in Fourth Schedule and as per applicable regulations of the Master Debenture Trust Deed.
Consequences of breach of covenants (as specified in the Master Debenture Trust Deed)	Failure by the Company to comply with provisions of the Transaction Documents / or breach of any undertakings or covenants under the Transaction Documents, which breach, if capable of being cured, is not cured within 30 (thirty) days from the date of such breach (other than for specific Events of Default for which no cure period is prescribed under the Master Debenture Trust Deed), shall be construed as an Event of Default in accordance with the provisions of the Transaction Documents.
Financial Covenants	Tier 1 and Tier 2 Capital Adequacy Ratio to be maintained as stipulated by RBI/NHB.
Affirmative Covenants	1. To comply with corporate governance, fair practices code prescribed by RBI 2. Notification of any potential Event of Default or Event of Default; 3. Obtain, comply with and maintain all licenses / authorizations in relation to the Issue 4. Provide details of any material litigation, arbitration or administrative proceedings (materiality threshold to be finalized during documentation) 5. Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes 6. Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them 7. Comply with any monitoring and/or servicing requests from Debenture Holders
Negative Covenants	Not declaring any dividend to the shareholders in any year until the Company has paid or made satisfactory provision for the payment of the instalments of principal and interest due on the Debentures.
Creation of recovery expense fund	The Issuer shall create a recovery expense fund in accordance with the applicable SEBI regulations, including but not limited to the SEBI Debenture Trustee Operational Circular.
Provisions related to Cross Default Clause	Not applicable
Risk Factors pertaining to the Issue	As mentioned in the Placement Memorandum under captioned "Risk Factor"
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Representation and warranties	1. The Company is a "housing finance company" and is registered with National Housing Bank and is under the regulation by RBI and supervision of the National Housing Bank;

	2. No Event of Default has occurred and is continuing on the date of this transaction; 3. Binding obligation of Transaction Documents; 4. No conflict with other obligations / constitutional documents; 5. No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, will have a Material Adverse Effect, have been started, pending or threatened against the Company; 6. The Company has the power and authority to issue the Debentures under the relevant Series and such Transactions Documents are valid and admissible in evidence in courts in Mumbai, India 7. The Company has good and marketable title to, or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted And as set out in greater detail in the Transaction Documents.
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai, India.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Trustee with respect to legal counsel, valuers and auditors / consultants. Such costs include: 1. Trustee fees 2. Rating fees 3. Listing Fees 4. Any other reasonable transaction related expense incurred by the Debenture Trustee 5. Stamping and registration in relation to all Transaction Documents.
Due Diligence Certificate	The Issuer shall submit the due diligence certificate provided by the Trustee, to BSE in accordance with the SEBI Debt Listing Regulations, Such due diligence certificate is annexed hereto.
Taxes, Duties, Costs and Expenses	Relevant taxes, duties and levies are to be borne by the Issuer. The charges / fees and any amounts payable under the debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.
Manner of bidding	Close Bidding
Bidding Time	10.00 A.M. to 11.00 A.M
Manner of Settlement	Through Indian Clearing Corporation Limited (ICCL)
Settlement Cycle	Settlement shall be on T+1 day
Manner of allotment	Uniform Yield
Minimum Bid Lot	INR 1,00,00,000 (Rupees One Crore Only) and in the Multiples of INR 1,00,000 (Rupees One Lakh Only) thereafter.
Terms of raising of securities	Mode of Payment: NEFT / RTGS Mode of Repayment: Electronic clearing services (ECS)/credit through RTGS system/funds transfer.
The Company shall provide a half-yearly certificate regarding compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with the half-yearly financial results.	

General Notes:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.
b. The list of documents which has been executed in connection with the issue and subscription of debt securities are set out in the Shelf Placement Memorandum.

MANNER OF SETTLEMENT

The eligible investors should complete the funds pay-in to the designated bank account of the Indian Clearing Corporation Ltd (ICCL) by 10:30 am on T+1 day.

The participants must ensure to do the funds pay-in from the same bank account which is updated by them in the EBP platform while placing the bids.

The Designated Bank Accounts of ICCL are as under:

Name of Bank	ICICI Bank Ltd.
Branch	RPC Delhi
IFSC Code	ICIC0000106
Account number	ICCLEB
Name of beneficiary	INDIAN CLEARING CORPORATION LTD

In the event of the issue getting withdrawn, the funds refund would be initiated on T+1 day.

In case of mismatch in the bank account details between biding platform and the bank account from which payment is done by the eligible investors, the payment would be returned back. Further, pay-in received from any other bank account may lead to cancellation of bid and consequent debarment of the bidder from accessing EBP Platform for 30 days.

Securities Settlement: Depositories will credit the securities to the demat account of the respective investor.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE II: RATING LETTERS, RATIONALES AND DETAILED PRESS RELEASE FROM THE RATING AGENCIES

No. CARE/HO/RL/2023-24/1264
Shri G.S. Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level-3, Wockhardt Towers, East Wing,
C-2, G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai
Maharashtra 400051

May 04, 2023

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture and Subordinate debt issue

Please refer to your request for rating of proposed Non-convertible Debenture (NCD) and Subordinate debt issue aggregating to Rs. 400 crore of your Company.

2. The following ratings have been assigned by our Rating Committee:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned
2.	Subordinate Debt	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Assigned
	Total Instruments	400.00 (Rs. Four Hundred Crore Only)		

3. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of six months from the date of our initial communication of rating to you (May 04,2023).

4. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

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

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

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

6. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed

7. The rationale for the rating will be communicated to you separately.

8. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

9. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

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

11. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

12. Our ratings are **not** recommendations to buy, sell or hold any securities.

13. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE Ratings Ltd.

Thanking you,

Yours faithfully,

CARE Ratings Limited

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

CIN-L67190MH1993PLC071691

Akansha Manohar Jain
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Nikhil Hardikar
Associate Director
nikhil.hardikar@careedge.in

Encl.: As above

Disclaimer

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

No. CARE/HO/RL/2023-24/1248
Shri G.S. Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level-3, Wockhardt Towers, East Wing,
C-2, G Block, Bandra-Kurla Complex, Bandra (E)
Mumbai
Maharashtra 400051

May 04, 2023

Confidential

Dear Sir,

Credit rating for Non-Convertible Debenture issue

On the basis of recent developments including operational and financial performance of your Company for FY23 (Audited), our Rating Committee has reviewed the following ratings:

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
1.	Non Convertible Debentures	40.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
2.	Non Convertible Debentures	25.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
3.	Non Convertible Debentures	200.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
4.	Non Convertible Debentures	100.00	CARE AA+; Stable (Double A Plus; Outlook: Stable)	Reaffirmed
5.	Subordinate Debt	50.00	CARE AA+; Stable	Reaffirmed

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

Sr. No.	Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
			(Double A Plus; Outlook: Stable)	
6.	**Subordinate Debt**	**50.00**	**CARE AA+; Stable (Double A Plus; Outlook: Stable)**	**Reaffirmed**
	Total Instruments	**465.00 (Rs. Four Hundred Sixty-Five Crore Only)**		

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

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

3. The rationale for the rating will be communicated to you separately.

4. CARE Ratings Ltd. reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

5. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE Ratings Ltd. so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE Ratings Ltd. shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

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

7. Users of this rating may kindly refer our website www.careedge.in for latest update on the outstanding rating.

8. CARE Ratings Ltd. ratings are not recommendations to buy, sell, or hold any securities.

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

Thanking you,

Yours faithfully,

Akansha Manohar Jain
Lead Analyst
akansha.jain@careedge.in

Nikhil Hardikar
Associate Director
nikhil.hardikar@careedge.in

Encl.: As above

Disclaimer

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

CRISIL Ratings

CONFIDENTIAL

RL/SRMHFL/318477/SUBDEBT/0523/59436/150549792
May 05, 2023

Mr. G S Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level 3, Wockhardt Towers,
BKC , Bandra (E)
Mumbai City - 400051
9831867013

Dear Mr. G S Agarwal,

Re: CRISIL Rating on the Rs.200 Crore Subordinated Debt of Shriram Housing Finance Limited

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

CRISIL Ratings

CONFIDENTIAL

RL/SRMHFL/318477/SUBDEBT/0523/59439/144650664
May 05, 2023

Mr. G S Agarwal
Chief Financial Officer
Shriram Housing Finance Limited
Level 3, Wockhardt Towers,
BKC , Bandra (E)
Mumbai City - 400051
9831867013

Dear Mr. G S Agarwal,

Re: Review of CRISIL Rating on the Rs.100 Crore Subordinated Debt of Shriram Housing Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed it's CRISIL AA+/Stable (pronounced as CRISIL double A plus rating with Stable outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

***Disclaimer**: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

Shriram Housing Finance Limited

May 05, 2023

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	2,500.00	CARE AA+; Stable	Reaffirmed
Subordinate debt	50.00	CARE AA+; Stable	Reaffirmed
Subordinate debt	50.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – I	40.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – V*	00.00	-	Withdrawn
Non-convertible debentures – VI*	00.00	-	Withdrawn
Non-convertible debentures – VII	25.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures – VIII	200.00	CARE AA+; Stable	Reaffirmed
Non-convertible debentures	100.00	CARE AA+; Stable	Reaffirmed
Commercial paper	100.00	CARE A1+	Reaffirmed
Subordinate debt	200.00	CARE AA+; Stable	Assigned
Non-convertible debentures	200.00	CARE AA+; Stable	Assigned

Details of instruments/facilities in Annexure-1.
*Withdrawn due to maturity

Rationale and key rating drivers

The ratings of various instruments/facilities of Shriram Housing Finance Limited (SHFL) continue to factor in the strong parentage of Shriram Finance Ltd (SFL), the strong business synergies with the Shriram group, the common brand image and access to the branch network of the Shriram group. By virtue of the strong parentage, SHFL also stands to benefit from the established track record of the group in lending to the self-employed segment in Tier-II and smaller towns, which is the customer profile for SHFL as well.

The ratings take note of the comfortable capital adequacy levels along with the demonstrated funding support from the parent and the improved asset quality parameters. CARE Rating Limited (CARE Ratings) expects the funding support from the parent to continue going forward as well. The profitability of the company witnessed improvement during FY23 aided by lower credit costs. The ratings continue to be constrained by the limited track record in the housing finance business, the moderate seasoning of the portfolio and geographical concentration of the portfolio albeit improving.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in the credit risk profile of the parent.

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Weakening in the credit risk profile of the parent.
- Any dilution in expectation of support from the parent.
- Significant deterioration in the asset quality and profitability levels.
- Significant deterioration in the capitalisation and liquidity profile.

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

Analytical approach: Standalone, along with factoring in the strong linkages with the parent, SFL. In addition to funding support, SFL and SHFL share a common brand name, and SHFL has access to the branch network and customer base of SFL.

Outlook: Stable

The stable outlook takes into consideration the maintenance of healthy business and financial parameters by SHFL over the medium term supported by comfortable capitalisation, improving asset quality and benefits derived from parentage.

Key strengths

Strong parentage and benefits derived from being part of the Shriram group

SHFL is promoted by the Shriram group, with SFL holding around 85.02% stake in the company as on March 31, 2023. The Shriram group has demonstrated its support by extending managerial, operational, and financial support to the company. Subramanian Jambunathan, the Managing Director and CEO of SHFL, who has experience of more than two decades in the lending business, is from the Shriram group. The company shares a common brand image and a shared logo with SFL and also has access to its branch network and customer base. SHFL receives managerial and operational support in terms of the usage of the branch network of the Shriram group. CARE Ratings makes a note of the fact that SHFL receives financial assistance in the form of capital, and apart from this, it also has sanctioned credit limits from SFL provided as bridge finance to SHFL in times of need, which has not been utilised for more than three years.

Comfortable capitalisation

The tangible net worth (TNW) of the company stood at ₹1,298 crore as on March 31, 2023, as against ₹1,153 crore as on March 31, 2022, on account of internal accruals. The current capital levels of SHFL are adequate with the capital adequacy ratio (CAR) at 25.48% as on March 31, 2023 (PY: 30.90%). The Shriram group has demonstrated capital-raising ability from various institutional investors in the past. The overall gearing of the company increased to 4.85x as on March 31, 2023, as against 3.39x as on March 31, 2022, on account of substantial growth in the loan book by 50% over the last year. CARE Ratings expects the gearing to remain within 5x on a sustained basis.

Significant growth in the assets under management

SHFL witnessed assets under management (AUM) growth of 50% (PY: 37%) from ₹5,297 crore as on March 31, 2022, to ₹8,047 crore as on March 31, 2023. The total disbursements stood at ₹4,148 crore in FY23 as against ₹2,739 crore in FY22. The AUM in the HL segment as on March 31, 2023, stood at ₹5,157 crore, increased by 49% from ₹3,470 crore as on March 31, 2022. The proportion of the housing and non-housing portfolio was at 69% and 31%, respectively, as on March 31, 2023.

Improvement in asset quality

The company's asset quality improved with gross non-performing assets (GNPA) and net non-performing assets (NNPA) at 0.93% and 0.68%, respectively, as on March 31,2023, as compared with 1.72% and 1.32%, respectively (after considering the impact of new IRAC norms), as on March 31, 2022. The 30+ DPD and 60+ DPD as a percentage of the AUM improved from 2.94% and 1.45%, respectively, as on March 31, 2022, to 2.38% and 1.23%, respectively, as on March 31,2023.

The company has a restructured book of ₹124.5 crore as on March 31, 2023, of which ₹14 crore has slipped into NPA during FY23.

Lower credit costs aides improved profitability

The net interest margin (NIM) witnessed improvement from 4.06% in FY22 to 4.23% in FY23 due to improved cost of funds during FY23. The other operating and non-operating income stood at around 1.90% of the total assets in FY23 (FY22: 1.88%). During FY23, the income from the gain on the sale of financial assets (DA income) stood at ₹65 crore as against ₹55 crore in FY22. The opex/average assets remained stable at 3.43% in (FY22: 3.28%). With the improvement in the asset quality and better collection efficiency, the credit costs reduced from 0.24% in FY22 to 0.15% in FY23, which in turn has led to improvement in the return on total assets (ROTA) at 2.13% in FY23 as against 1.79% in FY22.

Key weaknesses

Limited track record and geographical concentration, albeit improved

SHFL commenced lending operations in December 2011. However, lending under the newly revamped model began only post-January 2019. This book has a relatively limited track record and seasoning of the loan portfolio. The loan tenure ranges from 12 years to 16 years. The company is yet to witness one complete cycle of the loan provided to the customers. SHFL is primarily lending towards the housing finance needs of self-employed customers who are not serviced by the banking sector. About 79% (PY: 74%) of the overall loan portfolio is financed to the self-employed segment as on March 31, 2022. Although SHFL's branch

network is spread across 15 states with 123 branches as on December 31, 2022, the business is concentrated towards the southern and western regions. The top three states amount to 58% of the total loan portfolio as on December 31, 2022. During FY19, the company restructured its operations and business strategies to better leverage the Shriram group's branch network and customer base. The company is currently focussing on lending to borrowers with relatively better credit profiles and credit histories.

Moderately diversified resource profile

SHFL has a moderately diversified resource profile, being predominately funded by banks, however, witnessing higher capital market funding during FY23. The term loans from banks stood at 64% as on March 31,2023 (71% as on March 31, 2022). The non-convertible debentures (NCDs) stood at 21% (13% as on March 31, 2022) of the borrowings, NHB refinance stood at 9% (14% as on March 31, 2022) of the borrowings, and securitisation stood at 6% (2% as on March 31, 2022) as on March 31, 2023.

Liquidity: Adequate

The liquidity profile of SHFL remained adequate, with no negative cumulative mismatches in any of the time buckets for up to one year as on March 31, 2023. Given the cash balances, liquid investments, and monthly collections on the loan portfolio, SHFL is expected to manage its liquidity. SHFL also has an available credit limit of ₹300 crore from its parent, SFL, which can be used as bridge finance by SHFL in times of need. However, the same has not been utilised for over 3 years. As on March 31, 2023, SHFL had cash, bank balance of ₹922.32 crore, liquid investments amounting to ₹346.81 crore and Government Securities/Treasury bills of ₹96.07 crore. Additionally, the company has unutilised CC lines of ₹181 crore and undrawn sanctions of ₹600 crore to take care of any mismatches.

Applicable criteria

Policy on default recognition
Factoring Linkages Parent Sub JV Group
Financial Ratios - Financial Sector
Rating Outlook and Credit Watch
Short Term Instruments
Housing Finance Companies
Policy on Withdrawal of Ratings

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Financial Services	Financial Services	Finance	Housing Finance Company

SHFL is registered as a non-deposit-taking-housing finance company (HFC) with the National Housing Bank (NHB). The company received its Certificate of Registration in August 2011 and commenced its operations in December 2011. SHFL, a part of the Shriram group, is a subsidiary of SFL (rated 'CARE AA+; Stable/ CARE A1+'), which holds 85.02% of the shareholding. The balance 14.98% is held by Valiant Mauritius Partners FDI Ltd (VMPL) as on March 31, 2023. The company shares a common brand image and shared logo with SFL and has access to its branch network and customer base.

SHFL essentially caters to the housing finance needs of the self-employed, belonging to the middle-income group, primarily from Tier-II and Tier-III cities. The company also offers builder loans only for the construction of residential properties. The non-housing loans mainly comprise loan-against-property (LAP). Housing and non-housing loans constituted 69% and 31%, respectively, of the total portfolio outstanding as on March 31, 2023. The average tenure of the housing loan is 12 years to 16 years and the average ticket size is about ₹16-18 lakh.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31,2023 (A)
Total income	422	549	794
PAT	62	80	138
Total assets	3,825	5,164	7,742
Net NPA (%)	1.47	1.32	0.68
ROTA (%)	1.98	1.79	2.13

A: Audited Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

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

Complexity level of the various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Commercial paper-Commercial paper (Standalone)	INE432R14188	Jan 16, 2023	8.20%	Oct 30, 2023	20.00	CARE A1+
Commercial paper-Commercial paper (Standalone)	Proposed	-	-	07 days to 1 year	80.00	CARE A1+
Debentures-Non-convertible debentures-I	INE432R07018	Oct 10, 2014	10.30%	Oct 10, 2024	40.00	CARE AA+; Stable
Debentures-Non-convertible debentures-V & VI	INE432R07117	Apr 29, 2016	9.00%	Apr 29, 2023	0.00	Withdrawn
Debentures-Non-convertible debentures-VI	INE432R07125	May 02, 2016	9.00%	May 02, 2023	0.00	Withdrawn
Debentures-Non-convertible debentures-VII	INE432R08032	May 09, 2019	10.60%	May 09, 2023	25.00	CARE AA+; Stable
Debentures-Non-convertible debentures-VIII	INE432R07224	June 5, 2020	8.55%	June 5, 2023	40.00	CARE AA+; Stable
Debentures-Non-convertible debentures -VIII	INE432R07315	Aug 10, 2022	8.00%	Aug 09, 2026	58.00	CARE AA+; Stable
Debentures-Non-convertible debentures -VIII	INE432R08040	Sep 30, 2022	8.60%	Sep 30, 2037	35.00	CARE AA+; Stable

Debentures-Non-convertible debentures-VIII	INE432R07349	Dec 28,2022	9.05%	Dec 26,2025	50.00	CARE AA+; Stable
Debentures-Non-convertible debentures-VIII	Proposed	-	-	-	17.00	CARE AA+; Stable
Debentures-Non-convertible debentures	INE432R07364	Mar 14,2023	9.00%	Mar 13,2026	75.00	CARE AA+; Stable
Debentures-Non-convertible debentures	Proposed	-	-	-	25.00	CARE AA+; Stable
Debentures-Non-convertible debentures-	Proposed	-	-	-	200.00	CARE AA+; Stable
Debt-Subordinate debt	INE432R08057	Mar 01,2023	9.10%	Mar 01,2033	75.00	CARE AA+; Stable
Debt-Subordinate debt	Proposed	-	-	-	25.00	CARE AA+; Stable
Debt-Subordinate debt	Proposed	-	-	-	200.00	CARE AA+; Stable
Fund-based-Long term	-	-	-	August, 2027	2500.00	CARE AA+; Stable

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Debentures-Non Convertible Debentures	LT	40.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)
2	Debentures-Non Convertible Debentures	LT	-	-	-	-	-	1)Withdrawn (07-Apr-20)

3	Commercial Paper-Commercial Paper (Standalone)	ST	100.00	CARE A1+	-	1)CARE A1+ (15-Mar-23) 2)CARE A1+ (22-Feb-23) 3)CARE A1+ (21-Dec-22) 4)CARE A1+ (24-Nov-22)	1)CARE A1+ (17-Dec-21) 2)CARE A1+ (21-Oct-21)	1)CARE A1+ (22-Oct-20) 2)CARE A1+ (06-May-20) 3)CARE A1+ (07-Apr-20)
4	Debentures-Non Convertible Debentures	LT	-	-	-	1)Withdrawn (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
5	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)
6	Debentures-Non Convertible Debentures	LT	-	-	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)

						Positive Implications) (24-Nov-22)		
7	Debentures-Non Convertible Debentures	LT	25.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
8	Fund-based-Long Term	LT	2500.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
9	Fund-based-Short Term	ST	-	-	-	-	-	1)Withdrawn (22-Oct-20) 2)CARE A1+ (06-May-20) 3)CARE A1+ (07-Apr-20)
10	Debt-Subordinate Debt	LT	50.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20)

						(21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)		3)CARE AA+; Stable (07-Apr-20)
11	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22) 4)CARE AA (CW with Positive Implications) (24-Nov-22)	1)CARE AA (CW with Positive Implications) (17-Dec-21) 2)CARE AA; Stable (21-Oct-21)	1)CARE AA; Stable (22-Oct-20) 2)CARE AA+; Negative (06-May-20) 3)CARE AA+; Stable (07-Apr-20)
12	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23) 3)CARE AA+; Stable (21-Dec-22)	-	-
13	Debt-Subordinate Debt	LT	50.00	CARE AA+; Stable	-	1)CARE AA+; Stable (15-Mar-23) 2)CARE AA+; Stable (22-Feb-23)	-	-
14	Debt-Subordinate Debt	LT	200.00	CARE AA+; Stable				
15	Debentures-Non Convertible Debentures	LT	200.00	CARE AA+; Stable				

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities – Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Commercial Paper-Commercial Paper (Standalone)	Simple
2	Debentures-Non Convertible Debentures	Simple
3	Debt-Subordinate Debt	Simple
4	Fund-based-Long Term	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please click here

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

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About us:

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

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

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CRISIL Ratings

Rating Rationale

May 05, 2023 | Mumbai

Shriram Housing Finance Limited

'CRISIL AA+/Stable' assigned to Subordinated Debt, Non Convertible Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.1000 Crore**
Long Term Rating	**CRISIL AA+/Stable (Reaffirmed)**

Rs.200 Crore Subordinated Debt	**CRISIL AA+/Stable (Assigned)**
Rs.100 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Assigned)**
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA+/Stable (Reaffirmed)**
Rs.100 Crore Subordinated Debt	**CRISIL AA+/Stable (Reaffirmed)**
Rs.200 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL AA+/Stable (Reaffirmed)**

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its **'CRISIL AA+/Stable'** rating to Rs.200 crore subordinated debt and Rs.100 crore Non-Convertible Debentures of Shriram Housing Finance Limited (SHFL). CRISIL Ratings has also reaffirmed its rating on the company's other debt instruments and bank facilities at **'CRISIL AA+/CRISIL PPMLD AA+/Stable'.**

CRISIL Ratings had upgraded the ratings in December 2022, following the consummation of the merger of Shriram City Union Finance Limited (SCUF) and the demerged undertaking of Shriram Capital Limited (Shriram Capital) with Shriram Transport Finance Company Limited (STFCL); STFCL was renamed as Shriram Finance Ltd (SFL). Shriram Housing Finance Ltd (SHFL) now operates as a subsidiary of SFL which holds around 85.02% stake in the same. In the earlier analytical approach, CRISIL Ratings had factored in expectation of strong support from SCUF both on an ongoing basis and in the event of distress. With the merger process completed, the parent for SHFL is now the merged entity, SFL which is rated 'CRISIL AA+/CRISIL PPMLD AA+ r/Stable/CRISIL A1+'.

The ratings continue to factor in the expectation of strong support from the parent SFL both on an ongoing basis and in the event of distress. SHFL's strategic importance has been consistently growing within the Shriram eco system, since it widens the product offerings in the financial services space while simultaneously adding scale and granularity into its already retail oriented lending book. Also, conducting the home loan business through a housing finance company allows more efficient use of capital. In addition to their revamped business model, SHFL which was actively tapping the existing branches of SCUF will now further look to benefit from synergies with STFCL branch network. Furthermore, SFL has the financial flexibility to infuse capital into SHFL to support its growth. It is expected to provide equity capital whenever required. Given the majority ownership, shared name, increasing strategic importance, management oversight, common branding and operational synergies, CRISIL Ratings believes SFL will continue to provide the required support to SHFL.

The ratings on SHFL continue to factor in the comfortable capitalisation metrics and well diversified resource profile. However, these strengths are partially offset by limited track record of operations post the revamp of business model and average profitability metrics.

The performance of SHFL has been improving over the past couple of years. SHFL's AUM has grown at 4 year Compounded Annual Growth Rate (CAGR) of 44% to Rs 8,047 crore as on March 31, 2023. The Company continues to focus on self-employed sector with more than 75% of SHFL's portfolio having bureau score of over 700. The company also focuses on the existing customer base of its parent. With the parentage of SFL, SHFL is expected to benefit through cross sell of home loan products.

While the AUM has grown substantially, asset quality metrics remain comfortable; however, SHFL's loan portfolio remains susceptible to inherent challenges related to asset quality due to lending to borrowers with modest credit profiles and under-banked customers previously. However, following the revamp of its operations, SHFL has put up adequate systems and

processes and has employed an experienced team in place to manage risks in the business, especially in the self-employed segments. The company has decentralised its credit operations, has increased its focus on underwriting practices and has heightened its collection efforts to bring asset quality stress under control. End fiscal 2018, the asset quality had weakened with gross non-performing assets (NPA) and net NPA at 5.0% and 3.7%. Delinquencies were relatively higher in the loan against property (LAP) segment. After a detailed analysis of delinquent contracts, SHFL sold NPAs aggregating to ~Rs 80 crore to an asset reconstruction company on all-cash basis. Additionally, under the revamped business model which was adopted from January 2019 onwards, SHFL has been improving its sourcing profile and collection efforts. 90% of the current outstanding loan book of SHFL has been sourced after January 2019, which has 90+ DPD of 0.4%. As a result, the overall reported GNPA ratios improved since then. The GNPA and NNPA stood at 0.9% and 0.7% respectively as on March 31, 2023, as per the new RBI recognition norms. Excluding the circular impact, the GNPA and NNPA have improved to 0.6% and 0.4% respectively as on March 31, 2023 from 2.8% and 2.2% respectively as on March 31, 2019. In addition, the company had standard restructured assets of about Rs 110 crore (1.6% of loan book) as on March 31, 2023. Nonetheless, given the higher susceptibility of self-employed borrowers in the affordable housing segment to economic cycles and the scale up in the portfolio in recent years, the portfolio lacks seasoning and therefore the asset quality performance will remain a monitorable.

The prefix 'PPMLD' indicates that the principal amount of the debentures is protected, while returns remain market-linked. Also, payments to investors are not fixed and are linked to external variables such as government yield, commodity prices, equity indices, foreign exchange rates, or equity valuation of the company.

Analytical Approach

CRISIL Ratings has evaluated the standalone business and financial risk profile of SHFL and factored in the expectation of strong support from SFL both on an ongoing basis and in the event of distress.

Key Rating Drivers & Detailed Description

Strengths:

* **Strong support from its parent, SFL**

SHFL is expected to receive strong support from its parent given the increasing strategic importance of SHFL as a critical business growth driver within the housing finance space and Shriram Group. SFL is the majority shareholder of SHFL with 85.02% stake.

SHFL's strategic importance has been consistently growing within the Shriram eco system, since it widens the product offerings of SCUF in the financial services space while simultaneously adding scale and granularity into its already retail oriented lending book. Also, conducting the home loan business through a housing finance company allows more efficient use of capital. In addition to their revamped business model, SHFL has also been actively tapping the existing branches of SCUF to identify synergies and further improve operational efficiencies.

Furthermore, SFL has the financial flexibility to infuse capital into SHFL to support its growth. It is expected to provide equity capital whenever required. Given majority ownership, shared name, increasing strategic importance, management oversight, common branding and operational synergies, CRISIL Ratings believes SFL will continue to provide the required support to SHFL.

*** Adequate capitalisation and resource profile**

SHFL's networth stood at Rs 1,299 crore while the total capital adequacy ratio (per Ind-AS) stood at 25.5% as on March 31, 2023. SHFL had raised Rs 200 crore of equity from SCUF in May 2021 and Rs 300 crore in October 2021. The adjusted gearing (including the off book securitised portfolio) stood at 5.9 times and the reported gearing of SHFL was 4.8 times as on March 31, 2023. On a steady-state basis, reported gearing is expected to be at 5-5.5 times over the medium term. CRISIL Ratings believes that SHFL will raise the required equity to manage capitalisation levels for future growth.

SHFL's resource profile primarily consisted of bank borrowings (73% including NHB refinance), debt instruments (14%), direct assignment transactions (17%) and PTC transactions (6%) as on March 31, 2023. Also, the company has access to line of credit of Rs 300 crore from its parent SFL is also available to tide over any short-term liquidity concerns.

Weakness:

*** Inherent vulnerability of asset quality metrics given the customer segment and limited track record of operations**

With the new core management team in place, SHFL has been changing its long-term strategy and plans to grow and diversify its loan portfolio substantially over the coming years. Under the revamped model, while housing finance will remain key focus area, SHFL has also been offering products such as loans against property and relatively a small portion towards construction finance for diversifying its portfolio. SHFL's AUM has grown by a 4-year CAGR of 44% to Rs 8,047 crore as on March 31, 2023. The Company continues to focus on self-employed sector with Bureau score of more than 700. Currently more than 75% of the SHFL's portfolio is having bureau score of over 700. The company also focuses on the existing customer base of its parent. With the parentage of SFL, SHFL is expected to benefit through cross sell of home loan products. The company wants to concentrate its focus on select geographies and has decided to contain its operations to seven to eight states instead of current fifteen states.

The loan portfolio remains susceptible to inherent challenges related to asset quality due to lending to borrowers with modest credit profiles and under-banked customers previously. However, following the revamp of its operations, SHFL has put up adequate systems and processes and has employed an experienced team in place to manage risks in the business, especially in the self-employed segments. The company has decentralised its credit operations, has increased its focus on underwriting practices and has heightened its collection efforts to bring asset quality stress under control.

End fiscal 2018, the asset quality had weakened with gross non-performing assets (NPA) and net NPA at 5.0% and 3.7%. Delinquencies were relatively higher in the loan against property (LAP) segment. After a detailed analysis of delinquent contracts, they sold NPAs aggregating to approx. Rs 80 crore to an asset reconstruction company on all-cash basis. Additionally, under the revamped business model which was adopted from January 2019 onwards, SHFL has been improving its sourcing profile and collection efforts. Around 90% of the current outstanding loan book of SHFL has been sourced after January 2019, which has 90+ DPD of 0.4%. As a result, the overall reported GNPA ratios improved since then. The GNPA and NNPA stood at 0.9% and 0.7% respectively as on March 31, 2023 as per the new RBI recognition norms. Excluding the circular impact, the GNPA and NNPA have improved to 0.6% and 0.4% respectively as on March 31, 2023 from 2.8% and 2.2% respectively as on March 31, 2019. In addition, the company had standard restructured assets of about Rs 110 crore (1.6% of loan book) as on March 31, 2023. Nonetheless, given the higher susceptibility of self-employed borrowers in the affordable housing segment to economic cycles, the asset quality will remain a monitorable.

*** Moderate profitability**
SHFL reported a net profit of Rs 138 crore on total income (net of interest expenses) of 401 crore for fiscal 2023 against net profit of Rs 80 crore on total income (net of interest expenses) of Rs 269 crore for fiscal 2022. SHFL reported return on managed assets (RoMA) of 1.8% for fiscal 2023 as compared to 1.6% for 2022 and 1.8% for fiscal 2021. Operating expenses (excluding loan loss expense) remained high with cost to average managed assets at 3.0% for fiscal 2023 as compared to 2.9% in fiscal 2022 and 3.1% in fiscal 2021.

Under its revamped business model, over the last few quarters, SHFL has seen a steady growth in margins and these are expected to improve further on the basis of growth of affordable housing segment in India and stable portfolio, generated post January 2019. Additionally, the company expects operational efficiencies to further enhance on account of increasing book size of the overall portfolio. Also, owing to greater focus on underwriting practices and heightened collection efforts, the company expects its provision costs to come down further. CRISIL Ratings, however, expects profitability to remain slightly subdued in the next couple of years owing to the additional costs which may occur on account of the transformation exercise and as SHFL continues to build scale through setting processes and people to revamp the operations and decentralize the credit units. However, cost efficiencies are expected to be generated from the staff/branch rationalization exercise conducted by SHFL. Also, the company's ability to raise funding at competitive cost will have bearing on the bottom-line.

Liquidity: Strong
In terms of liquidity, as on March 31, 2023, SHFL was holding liquidity of Rs 1,546 crore (Rs. 1,365 crore of cash and equivalents and Rs. 181 crore of unutilized working capital lines). Additionally, it was holding undrawn sanctions of Rs 600 crore. Against the same, they have total debt payments of Rs 589 crore over the next three months till June 2023. The Asset Liability Management (ALM) statement as on March 31, 2023 stood comfortable with positive cumulative mismatch across all buckets (the inflows include existing committed bank lines).

Outlook: Stable
CRISIL Rating expects SHFL to continue to maintain its comfortable capitalisation metrics and improve the earnings profile going forward. Further, support from the parent SFL both on an ongoing basis and in the event of distress is expected to continue.

Rating Sensitivity factors
Upward factor:
- Upward revision in the rating of the parent, SFL by 1 notch

Downward factor:
- Downward revision in the rating of the parent SFL by 1 notch or higher
- Any change in support philosophy or stance by SFL or change in majority shareholding
- Sharp deterioration in the asset quality of SHFL thereby impacting the profitability of the company

Key Financial Indicators

As on / For the year ended March 31,	Unit	2023	2022	2021
Assets Under Management	Rs. Cr.	8047	5355	3929
Total income (net of interest expenses)	Rs. Cr.	401	269	214
Profit after tax	Rs. Cr.	138	80	62
RoMA	%	1.8	1.6	1.8
Gross NPA (included impact of RBI Nov'21 circular)	%	0.9	1.7	1.9
Adjusted gearing	Times	5.9*	4	6.4

** including off-book DA portfolio; reported gearing of 4.8x*

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the instrument	Date of issuance	Coupon rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity level	Rating assigned with Outlook
INE432R07323	Long Term Principal Protected Market Linked Debentures	22-Aug-22	G-Sec linked	22-Aug-24	200	Highly Complex	CRISIL PPMLD AA+/Stable
INE432R08032	Debenture	09-May-19	10.60%	09-May-23	25	Simple	CRISIL AA+/Stable
INE432R07224	Debenture	05-Jun-20	8.55%	05-Jun-23	40	Simple	CRISIL AA+/Stable
INE432R07257	Debenture	11-Dec-20	9.60%	11-Dec-30	17	Simple	CRISIL AA+/Stable
INE432R07265	Debenture	15-Jan-21	9.42%	15-Jan-31	21	Simple	CRISIL AA+/Stable
INE432R07273	Debenture	03-May-21	9.32%	02-May-31	10	Simple	CRISIL AA+/Stable
INE432R07356	Debenture	09-Feb-23	9.09%	09-Feb-33	240	Simple	CRISIL AA+/Stable
INE432R08057	Subordinated Debt	01-Mar-23	9.10%	01-Mar-33	70	Simple	CRISIL AA+/Stable
NA	Debenture^	NA	NA	NA	97	Simple	CRISIL AA+/Stable
NA	Debenture^	NA	NA	NA	100	Simple	CRISIL AA+/Stable
NA	Subordinated Debt^	NA	NA	NA	30	Simple	CRISIL AA+/Stable
NA	Subordinated Debt^	NA	NA	NA	200	Simple	CRISIL AA+/Stable
NA	Term loan 1	NA	1 year MCLR+ 0.8%	19-Jun-25	177.43	NA	CRISIL AA+/Stable
NA	Term Loan 2	NA	9.50%	01-Dec-30	38.46	NA	CRISIL AA+/Stable
NA	Proposed Long Term Bank Loan Facility*	NA	NA	NA	196.31	NA	CRISIL AA+/Stable
NA	Term Loan 3	NA	NA	01-Jan-25	41.87	NA	CRISIL AA+/Stable
NA	Term Loan 4	NA	NA	01-Oct-31	22.61	NA	CRISIL AA+/Stable
NA	Term Loan 5	NA	NA	01-Oct-31	5.73	NA	CRISIL AA+/Stable
NA	Term Loan 6	NA	NA	01-Oct-31	0.71	NA	CRISIL AA+/Stable
NA	Term Loan 7	NA	NA	01-Oct-31	1.84	NA	CRISIL AA+/Stable
NA	Term Loan 8	NA	NA	01-Jul-31	41.16	NA	CRISIL AA+/Stable
NA	Term Loan 9	NA	NA	01-Jul-31	14.01	NA	CRISIL AA+/Stable
NA	Term Loan 10	NA	NA	01-Jul-31	60.94	NA	CRISIL AA+/Stable
NA	Term Loan 11	NA	NA	01-Jul-31	1.47	NA	CRISIL AA+/Stable
NA	Term Loan 12	NA	NA	01-Jul-31	2.26	NA	CRISIL AA+/Stable
NA	Term Loan 13	NA	NA	01-Jul-31	24.07	NA	CRISIL AA+/Stable
NA	Term Loan 14	NA	NA	01-Oct-28	78.2	NA	CRISIL AA+/Stable
NA	Term Loan 15	NA	NA	01-Jan-29	114.71	NA	CRISIL AA+/Stable
NA	Term Loan 16	NA	NA	01-Jan-29	19.1	NA	CRISIL AA+/Stable
NA	Term Loan 17	NA	NA	01-Oct-28	1.2	NA	CRISIL AA+/Stable
NA	Term Loan 18	NA	NA	01-Jan-29	11.77	NA	CRISIL AA+/Stable
NA	Term Loan 19	NA	NA	01-Jan-29	0.86	NA	CRISIL AA+/Stable
NA	Term Loan 20	NA	NA	01-Jul-32	13.64	NA	CRISIL AA+/Stable
NA	Term Loan 21	NA	NA	01-Jul-32	7.31	NA	CRISIL AA+/Stable
NA	Term Loan 22	NA	NA	01-Jul-32	52.12	NA	CRISIL AA+/Stable
NA	Term Loan 23	NA	NA	01-Jul-29	72.22	NA	CRISIL AA+/Stable

^yet to be issued
**Interchangeable with short term facility*

Annexure - Rating History for last 3 Years

	Current			2023 (History)		2022		2021		2020		Start of 2020
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	1000.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	17-08-20	CRISIL AA/Negative	CRISIL AA/Stable
			--	20-02-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	30-04-20	CRISIL AA/Negative	--

			--	07-02-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative		--	--
			--	12-01-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive		--		--	--
			--		--	15-06-22	CRISIL AA/Watch Positive		--		--	--
Non Convertible Debentures	LT	800.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable	31-12-22	CRISIL AA+/Stable	17-12-21	CRISIL AA/Watch Positive	17-08-20	CRISIL AA/Negative	CRISIL AA/Stable
			--	20-02-23	CRISIL AA+/Stable	14-11-22	CRISIL AA/Watch Positive	15-03-21	CRISIL AA/Stable	30-04-20	CRISIL AA/Negative	--
			--	07-02-23	CRISIL AA+/Stable	16-08-22	CRISIL AA/Watch Positive	19-01-21	CRISIL AA/Negative		--	--
			--	12-01-23	CRISIL AA+/Stable	29-07-22	CRISIL AA/Watch Positive		--		--	--
			--		--	15-06-22	CRISIL AA/Watch Positive		--		--	--
Subordinated Debt	LT	300.0	CRISIL AA+/Stable	16-03-23	CRISIL AA+/Stable		--		--		--	--
			--	20-02-23	CRISIL AA+/Stable		--		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	200.0	CRISIL PPMLD AA+/Stable	16-03-23	CRISIL PPMLD AA+/Stable	31-12-22	CRISIL PPMLD AA+ r /Stable		--		--	--
			--	20-02-23	CRISIL PPMLD AA+/Stable	14-11-22	CRISIL PPMLD AA r /Watch Positive		--		--	--
			--	07-02-23	CRISIL PPMLD AA+/Stable	16-08-22	CRISIL PPMLD AA r /Watch Positive		--		--	--
			--	12-01-23	CRISIL PPMLD AA+ r /Stable		--		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility&	**196.31**	**Not Applicable**	**CRISIL AA+/Stable**
Term Loan	**38.46**	**LIC Housing Finance Limited**	**CRISIL AA+/Stable**
Term Loan	**138.77**	**Bank of India**	**CRISIL AA+/Stable**
Term Loan	**38.66**	**Bank of India**	**CRISIL AA+/Stable**
Term Loan	**587.8**	**National Housing Bank**	**CRISIL AA+/Stable**

This Annexure has been updated on 05-May-23 in line with the lender-wise facility details as on 30-Mar-22 received from the rated entity

& - Interchangeable with short term facility

Criteria Details

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
CRISILs Criteria for rating short term debt
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

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(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

32644/CL/MUM/23-24/DEB/43/1
Date: May 15,2023

Shriram Housing Finance Limited
Wockhardt Towers,
East Wing ,Level 3,
C-2, G Block ,Bandra-Kurla Complex ,
Mumbai-400051,Maharashtra
India

Kind Attn: Mr. GS Agarwal ()

Sub: Consent Letter to act as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating upto Rs. 50.00 Crores (+ GSO Rs. 50.00 Crores)

Dear Sir,

This is with reference to our discussion regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating to Rs. 50.00 Crores (+ GSO Rs. 50.00 Crores)

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully
For Beacon Trusteeship Limited

Deepavali Vankalu
Vice President
Mumbai,
Authorised Signatory

Accepted
For Shriram Housing Finance Limited

PUJA KIRIT SHAH
Digitally signed by PUJA KIRIT SHAH
Date: 2023.05.15 11:39:50 +05'30'

Authorised Signatory

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IV: APPLICATION FORM

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

APPLICATION FORM

SHRIRAM HOUSING FINANCE LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: November 09, 2010
Registered Office: 123, Angappa Naicken Street, Chennai – 600 001, Tamil Nadu, India
Website: www.shriramhousing.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

Issue of 5,000 (Five Thousand) listed, rated, unsecured, subordinated, tier II, redeemable, non-convertible debentures denominated in INR in the nature of Tier II Capital, each having a face value of INR 1,00,000 (Indian Rupees One Lakh) with an aggregate issue size of up to INR 50,00,00,000 (Indian Rupees Fifty Crore) ("Debentures" or "NCDs") on a private placement basis (the "Tranche Issue").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____In words: _____-only
Amount INR_____/-In words Indian Rupees :_____Only

DETAILS OF PAYMENT:

RTGS Number:

Funds transferred to **SHRIRAM HOUSING FINANCE LIMITED**
Dated _____

Total Amount Enclosed
(In Figures) INR_/- (In words) _Only

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																		
STREET																		
CITY																		
PIN							**PHONE**								**FAX**			

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

I AM/ WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

We have read and understood the Terms & Conditions of the Tranche Issue of Debentures including the Risk Factors described in the shelf placement memorandum dated May 15, 2023 ("**Shelf Placement Memorandum**") and the terms of the tranche placement memorandum dated May 18, 2023 ("**Tranche Placement Memorandum**") issued by the Issuer and have considered these in making our decision to apply.

We bind ourselves to these Terms & Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Issuer in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL/CDSL**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY

UTR Number_____

We understand and confirm that the information provided in the Shelf Placement Memorandum and the Tranche Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Issuer shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's Signature

FOR OFFICE USE ONLY

UTR Number_____

----------(TEAR HERE)----------

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**									

Received from _____

Address_____
_____
UTR # _____ or INR _____ on account of application of _____ Debenture

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account:

Beneficiary Name	Indian Clearing Corporation Ltd.
Credit Account #	ICCLEB
Bank	ICICI Bank Ltd.
Branch	RPC Delhi
IFSC Code	ICIC0000106

The Issuer undertakes that the application money deposited in the issuer bank account shall not be utilized for any purpose other than
a) for adjustment against allotment of securities; or
b) for the repayment of monies where the Issuer is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Issuer in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.

5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of Interest including interest payable on application money.

6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

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ANNEXURE V: ILLUSTRATION OF CASH FLOWS

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ILLUSTRATION OF CASH FLOWS

Cash Flow to change on the basis of actual dates.

Name of the Issuer	Shriram Housing Finance Limited
Security Name	Shriram Housing Finance Limited 9.10% May 2033 Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures (Tier II NCD) – Series 2 – Tranche 1
Face Value (per security)	INR 1,00,000/-
Deemed Date of Allotment	19 May 2023
Tenor	10 years from the Deemed Date of Allotment, subject to NHB Approval
Redemption Date	19 May 2033, subject to NHB Approval
Coupon Rate	9.10% p.a.
Frequency of the interest payment with specified dates	Payable annually
Day Count Convention	Actual/Actual

Cash Flows	Original	Revised	No. Of Days in Coupon Period	Amount in Rupees per Debenture of INR 1,00,000 (Rupees One Lakh only)
Principal Inflow	Friday, May 19, 2023	NA	NA	1,00,000
1st Coupon	Sunday, May 19, 2024	Monday, May 20, 2024	366	9,10,000
2nd Coupon	Monday, May 19, 2025	NA	365	9,10,000
3rd Coupon	Tuesday, May 19, 2026	NA	365	9,10,000
4th Coupon	Wednesday, May 19, 2027	NA	365	9,10,000
5th Coupon	Friday, May 19, 2028	NA	366	9,10,000
6th Coupon	Saturday, May 19, 2029	NA	365	9,10,000
7th Coupon	Sunday, May 19, 2030	Monday, May 20, 2030	365	9,10,000
8th Coupon	Monday, May 19, 2031	NA	365	9,10,000
9th Coupon	Wednesday, May 19, 2032	NA	366	9,10,000
10th Coupon	Thursday, May 19, 2033	NA	365	9,10,000
Principal Repayment	Thursday, May 19, 2033	NA	NA	1,00,000

- *Principal repayment for redemption of Debentures is subject to NHB Approval.*
- *The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve Bank of India / SEBI.*
- *Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.*
- *The cash flows are for illustrative purposes.*

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ANNEXURE VI: DUE DILIGENCE CERTIFICATE

BEACON
TRUSTEESHIP

DUE DILIGENCE CERTIFICATE – ANNEXURE A

(Pursuant to Regulation 44(3)(b) of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2022)

Ref. No.: BTL/OPR/23-24/32646 **Date: May 15, 2023**

To,
BSE Limited
25th Floor, P. J. Towers,
Dalal Street,
Mumbai -400001

Dear Sir /Madam,

SUB: ISSUE OF LISTED RATED UNSECURED SUBORDINATED TIER II REDEEMABLE NON-CONVERTIBLE DEBENTURES IN THE NATURE OF TIER II CAPITAL HAVING FACE VALUE OF RS 1,00,000 WITH A BASE ISSUE OF INR 50 CRORES AND GREEN SHOE OPTION OF INR 50 CRORE AGGREGATING TO INR 100 CRORES BY WAY OF A PRIVATE PLACEMENT BY SHRIRAM HOUSING FINANCE LIMITED

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

WE CONFIRM that:

a) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

b) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), in the offer document.

c) Issuer has given an undertaking that debenture trust deed shall be executed before filing of listing application.

For Beacon Trusteeship Limited

Beacon Trusteeship Limited

Jaydeep Bhattacharya
Executive Director

Place: Mumbai

T0952

ANNEXURE VII: TERMS AND CONDITIONS OF SUPPLEMENT TO MASTER DEBENTURE TRUSTEE AGREEMENT

Attached separately.

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ANNEXURE VIII: IN-PRINCIPLE APPROVAL RECEIVED FROM BSE

EXPERIENCE THE NEW

DCS/COMP/AA/IP-PPDI/054/23-24

May 15, 2023

SHRIRAM HOUSING FINANCE LIMITED
Level 3, Wockhardt Towers, East Wing,
Bandra Kurla Complex, Bandra
(East), Mumbai – 400 051

Dear Sir/Madam

Re: Private Placement of Listed, Rated, Unsecured, Subordinated, Tier II, Redeemable, Non-Convertible Debentures denominated in INR in the nature of Tier II capital of each having a face value of Rs.1,00,000/- ("Debentures" or "NCDs") under multiple Series (Each a "Series"), aggregating up to Rs.230 Crore ("Shelf Limit") ("Issue").

We acknowledge receipt of your application on the online portal on May 11, 2023 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant In-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time.

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:
https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com).

A-P

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2022/00144 dated October 28, 2022.

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

10. Company is further requested to comply with SEBI Circular SEBI/HO/DDHS/DDHS-RACPOD1/CIR/P/2023/56 dated April 13, 2023, (if applicable) read along with BSE Circular https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230428-18 and ensure compliance of the same.

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,
For BSE Limited

Rupal Khandelwal

Rupal Khandelwal
Deputy General Manager

Raghavendra Bhat
Associate Manager

A.P.

(This Tranche Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE IX: COMMITTEE RESOLUTION

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BANKING AND FINANCE COMMITTEE OF SHRIRAM HOUSING FINANCE COMPANY ON MONDAY, MAY 8, 2023 AT 10.30 A.M. AT BOARD ROOM, LEVEL 1, EAST WING, WOCKHARDT TOWERS, BANDRA KURLA COMPLEX, MUMBAI - 400 051.

COMMENCEMENT: 05.00 P.M. **CONCLUSION: 06.00 P.M.**

APPROVAL FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

"**RESOLVED THAT** pursuant to the resolutions dated April 25, 2022 of the board of directors of the Company, and the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modifications or re-enactments thereof for the time being in force (the "**Companies Act**"), the Foreign Exchange Management Act, 1999 (as amended from time to time), rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the SEBI circular bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*" and Master Direction - Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, each as amended, modified or restated from time to time, or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and the listing agreements entered into with the stock exchanges (the "**Stock Exchanges**") where the securities of the Company may be listed, and subject to approvals, consents, sanctions, permissions as may be required from any appropriate statutory and regulatory authorities, and subject to any approvals, consents, permissions and sanctions as may be required from any regulatory authority and the approval of the shareholders of the Company as may be required in accordance with the Companies Act, the approval of the Committee be and is hereby accorded for:

(a) Shelf placement memorandum in respect of Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital denominated in Indian Rupees ("**INR**"), each having a face value in accordance with applicable law , having the for issuance of such debentures in one or more tranches, for an aggregate shelf amount of up to INR 300,00,00,000 (Indian Rupees Three Hundred Crore) ("Shelf Placement Memorandum") and such issue the "Shelf Issue";

(b) issue, offer and allotment of Listed Rated Unsecured Subordinated Tier II Redeemable Non-Convertible Debentures in the nature of Tier II Capital denominated in Indian Rupees ("**INR**"), each having a face value in accordance with applicable law , having the base issue size of INR 50,00,00,000 (Indian Rupees Fifty Crore) and the green shoe option to retain oversubscription of INR 50,00,00,000 (Indian Rupees Fifty Crore) for an aggregate amount of INR 100,00,00,000 (Indian Rupees One Hundred Crore) or such other number or amount as may be determined by the Company ("**Debentures**") at a coupon/interest rate (including step up / step down interest

rate) prescribed in the Transaction Documents, payable at maturity or at such interest periods as may be agreed, subject to deduction of taxes at source in accordance with applicable law, with or without gross up, and for such tenure/maturity as may be determined, at par, on a private placement basis to such persons as may be identified for the purposes of Section 42 of the Companies Act ("**Investor(s)**") for (i) to augment long term resources of the Issuer; and (ii) general business purpose including financing the growth of the portfolio of the Issuer, as is permitted by Reserve Bank of India and National Housing Bank.

RESOLVED FURTHER THAT Mr. Subramanian Jambunathan, Managing Director & CEO, Mr. Gauri Shankar Agarwal, Chief Financial Officer, Mr. Christopher Robin, Senior Vice President, Mr. Srinivasa Rao Bhrugumalla, Mr. Karthik Raghunath, Senior Manager and Mrs. Puja Shah, Company Secretary be and are hereby severally authorized (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue, being:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities and any other person (including any lenders of the Company), and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures and the Shelf Issue;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the Debentures and all other related matters;

(d) seeking the (i) in principle approval of the Stock Exchange for the Shelf Placement Memorandum, (ii) listing of any of the Debentures on any Stock Exchange, (iii) submitting the listing application and (iv) taking all actions that may be necessary in connection with obtaining such in-principle approval and listing;

(e) approving the Debt Disclosure Documents (as defined below) (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(f) finalising the terms and conditions of the appointment of an arranger (if so required), a debenture trustee, a registrar and transfer agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including their successors and their agents;

(g) finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue;

(h) entering into arrangements with the depositories in connection with issue of Debentures in dematerialised form;

(i) finalising the date of allocation and the deemed date of allotment of the Debentures;

(j) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and deal with regulatory authorities in connection with the issue, offer and allotment of the Debentures and the Shelf Issue including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;

(k) to execute all documents with, file forms, with and submit applications to any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository;

(l) to sign and/or dispatch all documents and notices to be signed and/or dispatched by the Company under or in connection with the Transaction Documents and the Shelf Issue;

(m) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents and the Shelf Issue, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the shelf placement memorandum, tranche placement memorandum and the private placement offer cum application letter for the issue, offer and allotment of the Debentures (collectively, the "**Debt Disclosure Documents**");

(ii) the debenture certificate(s) for the Debentures (if required);

(iii) the master debenture trust deed, the supplement to the debenture trust deed, the master debenture trustee agreement, the supplement to the master debenture trustee agreement, and any other documents in relation thereto (together with the Debt Disclosure Documents, the "**Transaction Documents**");

(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the Shelf Issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and

(v) any other document designated as a Transaction Document by the debenture trustee/holders of the Debentures;

(n) do all acts necessary for the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue in accordance with the terms set out in the Transaction Documents; and

(o) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to the issue, offer and allotment of the Debentures and the Shelf Issue, and to give such directions as it deems

fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to take all necessary steps to sign and submit the necessary forms in relation to the issue, offer and allotment of the Debentures and the Shelf Issue with any Stock Exchange, the relevant registrar of companies, the Ministry of Corporate Affairs, or any depository, and other relevant governmental authorities.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company (including in respect of execution of any documents) till date for the purpose of the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to record the name of the holders of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to finalisation of the terms of, and completing all applicable requirements for, the issue, offer and allotment of the Debentures and the Shelf Issue, the in-principle application for the Shelf Issue, and the listing of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorised to open any bank accounts with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures and the Shelf Issue and that the Authorised Persons be and are hereby severally authorised to sign and execute the application form and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid Authorised Persons on behalf of the Company.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to pay all stamp duty required to be paid for the issue, offer and allotment of the Debentures and the Shelf Issue, including through any intermediaries such as the Stock Exchanges, clearing corporations or any depositories that may be authorised in this regard, in accordance with the laws of India and procure the stamped documents from the relevant governmental authorities.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to approve and finalise, sign, execute and deliver the Transaction Documents and Disclosure Documents and such other agreements, deeds, undertakings, indemnity and documents as may be required, or any of them in connection with the Debentures to be issued by the Company and the Shelf Issue.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or any governmental authority competent in that behalf.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the

powers to any other employee/representative/agent as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures and the Shelf Issue.

RESOLVED FURTHER THAT the copies of the foregoing resolutions certified to be true copies by any Director or Company Secretary of the Company be furnished to such persons as may be deemed necessary.

CERTIFIED TRUE COPY

FOR SHRIRAM HOUSING FINANCE LIMITED

PUJA KIRIT SHAH

Digitally signed by PUJA KIRIT SHAH
Date: 2023.05.15 10:20:25 +05'30'

Puja Shah
Company Secretary and Compliance Officer

Date: May 15, 2023
Place: Mumbai